

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Summit)
Natural Gas of Missouri, Inc. for Approval)
of Its Cost Allocation Manual)

File No. GO-2012-0322

**STAFF'S MAY, 2016 STATUS REPORT AND REQUEST THAT THE PARTIES BE
RELIEVED OF FILING MONTHLY JOINT STATUS REPORTS UNTIL STAFF
COMMENCES FILING MONTHLY STATUS REPORTS ON AUGUST 31, 2016**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and files the Staff's May, 2016, Status Report. Said Staff Status Report requests that the Staff, rather than Summit Natural Gas of Missouri, Inc. ("Summit"), the Staff, and Office of the Public Counsel ("Public Counsel") (collectively "the Parties"), submit this month's Status Report and until August 31, 2016, there be a cessation of the filing of monthly status reports, when the Staff would commence filing monthly Status Reports until otherwise ordered. In support thereof, the Staff states as follows:

1. On March 28, 2012, Summit filed an application for approval of its cost allocation manual ("CAM"). The purpose of a CAM is to provide transparency into the process and procedures employed by a utility to comply with the Commission's affiliate transactions rule, 4 CSR 240-40.015 (Affiliate Transactions - Gas Corporations). The Staff has reviewed Summit's responses to Staff Data Requests, and has periodically reviewed the CAM filed in this case in relation to other CAMs filed in other cases, but has largely put active work on this case on hold since it was filed in order to allow the Staff to concentrate its efforts on CAM's filed for approval by certain other utilities.

2. In order to move this proceeding forward more expeditiously, the Staff soon will commence issuing additional data requests, and scheduling meetings and/or

conference calls with Summit (including the Office of the Public Counsel), in order to obtain additional information regarding the current Summit CAM and to propose revisions to it as appropriate. Among the matters and potential issues to be explored by the Staff in discovery regarding Summit's CAM are the following:

- 1) Obtaining a complete and updated list of all regulated and non-regulated Summit affiliates;
- 2) Obtaining a complete and updated list of all current corporate cost assignment and allocation procedures within Summit's affiliated companies;
- 3) Verifying Summit's compliance with the "asymmetric pricing" provisions applicable to transactions with affiliates;
- 4) Verifying Summit's compliance with the competitive bidding requirements set out in the affiliate transactions rule;
- 5) Verifying that corporate "common" costs are reasonably allocated to Summit and other affiliates via use of an appropriate "general allocator;"
- 6) Verifying that Summit is in material compliance with all provisions of the affiliate transactions rule, or appropriately seeks variances for any such provisions that are not being complied with currently; and
- 7) Verifying Summit's compliance with the affiliate transactions rule annual reporting requirements, and establishing procedures for timely notification to the Commission of material changes in Summit's affiliate transaction policies and procedures.

3. Currently, the Staff plans to either provide Summit with draft CAM revisions to make Summit's CAM fully compliant with the affiliate transactions rule or,

alternatively, to determine that Summit's current CAM is compliant with the affiliate transactions rule, by no later than August 31, 2016.

4. The Staff offers the instant May 2016, Status Report in lieu of the monthly Joint Status Report that the Commission directed Summit, the Staff, and the Public Counsel to file in its May 24, 2012, *Order Granting Joint Request Regarding Continuing Discussions*. The Staff also requests that the Commission direct the Staff to file Status Reports on a monthly basis commencing on August 31, 2016, and on the last working day of each subsequent month until otherwise ordered.

WHEREFORE, the Staff files its *May, 2016 Status Report And Request That The Parties Be Relieved Of Filing Monthly Joint Status Reports Until The Staff Commences Filing Monthly Status Reports On August 31, 2016*.

Respectfully submitted,

/s/ Steven Dottheim

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Staff's May, 2016 Status Report And Request That The Parties Be Relieved Of Filing Monthly Joint Status Reports Until The Staff Commences Filing Monthly Status Reports On August 31, 2016* have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31st day of May, 2016.

/s/ Steven Dottheim