

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

In the Matter of the Application of )  
Missouri Gas Energy for the Issuance of )  
an Accounting Authority Relating to its )  
Natural Gas Operations and for a )  
Contingent Waiver of the Notice )  
Requirement of 4 CSR 240-4.020(2). )

**Case No. GU-2011-0392**

**STAFF STATEMENT OF POSITION**

**COMES NOW** the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and for this *Statement of Position* states as follows:

1. **Issue: A.** Should the Commission enter an order authorizing MGE to defer to Account 182.3, Other Regulatory Assets, actual incremental Operations & Maintenance and capital expenses incurred for repair, restoration, and rebuild activities associated with the May 22, 2011, Joplin tornado, including depreciation and carrying charges equal to MGE's ongoing Allowance for Funds Used During Construction rates?
2. **Staff Position: Yes.**
3. **Issue: B.** Should the Commission enter an order authorizing MGE to defer to Account 182.3, Other Regulatory Assets, its loss of expected revenues related to the May 22, 2011, tornado, including carrying charges equal to its ongoing Allowance for Funds Used During Construction rates?
4. **Staff Position: No. MGE's ongoing revenues are sufficient to meet its fixed costs of operation and it is not entitled to defer for recovery any specific level of revenues.**
5. **Issue: C.** If the Commission authorizes MGE to defer these amounts:
  - a. When should MGE commence amortizing the deferred amounts to expense?
6. **Staff Position: January 1, 2012.**
7. **Issue: D.** If the Commission authorizes MGE to defer these amounts:
  - a. Over what length of time should MGE amortize the deferred amounts to expense?
8. **Staff Position: Ten years.**

**WHEREFORE,** Staff submits its *Statement of Position*.

Respectfully submitted,

**/s/ Sarah Kliethermes**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 22<sup>nd</sup> day of November, 2011.

**/s/ Sarah Kliethermes**