

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

In the Matter of The Empire District Gas Company's Purchased Gas Adjustment) **Case No. GR-2012-0124**

**STAFF RESPONSE TO
COMMISSION ORDER DIRECTING FILING**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and in Response to the Commission’s October 24, 2011 Order Directing Staff to file Recommendation states:

1. On October 21, 2011, The Empire District Gas Company (Empire or Company) of Joplin, Missouri, filed three (3) tariff sheets having an effective date of November 4, 2011.

2. These tariff sheets were filed to make changes to Empire's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas (Regular PGA or RPGA) and changes in the Actual Cost Adjustment (ACA) factor for the upcoming heating season (November 2011 – March 2012).

3. In its attached verified Recommendation, Staff calculates the changes for each of Empire's service territories.

4. Staff has determined that the rates in the proposed tariff sheet were calculated in conformance with Empire's tariffed PGA Clause.

5. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days notice is demonstrated by Empire's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings.

WHEREFORE, Staff recommends the Commission approve the tariff sheets Empire filed on October 21, on an expedited but interim basis, subject to refund.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell

Deputy General Counsel

Missouri Bar No. 43792

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Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered or transmitted by facsimile or electronic mail to all counsel of record this 28th day of October, 2011.

/s/ Lera L. Shemwell

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2012-0124, File No. YG-2012-0172
The Empire District Gas Company

FROM: Henry E. Warren, Energy Department – Tariffs/Rate Design

/s/ Thomas M. Imhoff 10/28/11
Energy Unit/Date

/s/ Lera Shemwell 10/28/11
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation The Empire District Gas Company's
Winter Season PGA Filing

DATE: October 28, 2011

On October 21, 2011, The Empire District Gas Company (Empire or Company) of Joplin, Missouri, filed three (3) tariff sheets having an effective date of November 4, 2011. These tariff sheets were filed to reflect changes in Empire's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas (Regular PGA or RPGA) and changes in the Actual Cost Adjustment (ACA) factor for the upcoming heating season (November 2011 – March 2012).

For the South System served by Southern Star Central Gas Pipeline, which includes the cities of Clinton, Lexington, Marshall and Sedalia, this filing will increase the firm PGA factor for Residential, Small Commercial, and Small Volume customers for the upcoming heating season to \$0.59773 per one-hundred cubic feet (Ccf), from the current firm PGA factor of \$0.59664 per Ccf. This represents an increase of \$0.00109 per Ccf for all customer classes except Large Volume Interruptible (LVI) and Transportation.

For the North System served by Panhandle Eastern Pipeline, which includes the cities of Chillicothe, Marceline and Trenton, this filing will increase the firm PGA factor for Residential, Small Commercial, and Small Volume customers for the upcoming heating season to \$0.60567 per Ccf, from the current firm PGA factor of \$0.57650 per Ccf. This represents an increase of \$0.02917 per Ccf for all customer classes except LVI and Transportation.

For the NW System served by the ANR pipeline, which includes the communities of Rockport, Maryville and Tarkio, this filing will increase the firm PGA factor for Residential, Small Commercial, and Small Volume customers for the upcoming heating season to \$0.52112 per Ccf, from the current firm PGA factor of \$0.47992 per Ccf. This represents an increase of \$0.04120 per Ccf for all customer classes except LVI and Transportation.

Case No. GR-2012-0124, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2010-2011 ACA filing. Case No. GR-2011-0108 was established to track the Company's PGA factors to be reviewed in its 2009-2010 ACA filing. This rate change should be on an interim basis, subject to refund status pending a final Commission decision in ACA Case Nos. GR-2011-0108 and GR-2012-0124.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 14, 2012.

Staff has verified that this company has filed its 2010 annual report and is current on its 2011 assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Staff has reviewed this filing and has determined that it was calculated in conformance with Empire's PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days notice is demonstrated by Empire's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheets be approved on an interim basis, subject to refund:

P.S.C. MO. No. 2

7 th Revised SHEET No. 62	Cancelling 6 th Revised SHEET No. 62
7 th Revised SHEET No. 63	Cancelling 6 th Revised SHEET No. 63
7 th Revised SHEET No. 65	Cancelling 6 th Revised SHEET No. 65

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OF THE STATE OF MISSOURI

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Company's Purchased Gas Adjustment)
Tariff Filing.) Case No. GR-2012-0124

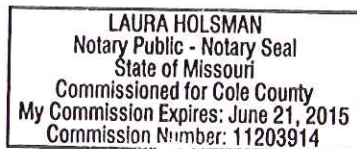
AFFIDAVIT OF HENRY WARREN


STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Henry Warren, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.


Henry Warren

Subscribed and sworn to before me this 27th day of October, 2011.




Notary Public