# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's PGA Filing

Case No. GR-2014-0231

#### STAFF RECOMMENDATION REGARDING LACLEDE GAS COMPANY'S 2013-2014 ACTUAL COST ADJUSTMENT FILING

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**COMES NOW** the Staff of the Missouri Public Service Commission in the above-captioned matter and files its Actual Cost Adjustment ("ACA") Recommendation in this case concerning Laclede Gas Company's ("Laclede" or "Company") 2013-2014 ACA filing as set forth in the accompanying Staff Recommendation Memorandum (Appendix A), and further states as follows:

1. On October 31, 2014, Laclede filed its ACA for the 2013-2014 ACA period. This filing was originally filed in Case No. GR-2015-0110; however, because this filing should have been submitted in Case No. GR-2014-0231, on November 5, 2014, the Commission issued an order consolidating Case No. GR-2015-0110 into Case No. GR-2014-0231 and ordered that all future filings be made in Case No. GR-2014-0231. The filing contains the Company's calculations of its ACA balances as of September 30, 2014.

2. The Procurement Analysis Unit ("Staff") has reviewed Laclede's filing and submits its recommendation as further explained in the accompanying Staff Recommendation Memorandum marked Appendix A (which is incorporated herein by reference). As part of its review, the Staff conducted an analysis of Laclede's gas purchasing practices to evaluate the prudence of the Company's purchasing decisions for this ACA period; a reliability analysis, including a review of estimated peak-day requirements and the capacity levels needed to meet those requirements; a review of

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peak-day reserve margin and its rationale; a review of supply plans for various weather conditions; and a hedging review to evaluate the Company's hedging practices and documentation for this ACA period. Staff's review also included a comparison of the Company's billed revenues and its actual gas costs to determine whether there exists an over-recovery or under-recovery of the ACA balance. An over-recovery by the Company is shown in the accompanying Staff Recommendation Memorandum as a negative ACA balance that must be returned to customers; an under-recovery is shown in the accompanying Memorandum as a positive ACA balance that must be returned to the customers and the accompanying Staff Recommendation Memorandum as a positive ACA balance that must be returned to the customers and the accompanying Staff Recommendation Memorandum as a positive ACA balance that must be returned to the customers and the accompanying Staff Recommendation Memorandum as a positive ACA balance that must be returned to the customers and the accompanying Staff Recommendation Memorandum as a positive ACA balance that must be returned to the customers and the accompanying Staff Recommendation Memorandum as a positive ACA balance that must be collected from customers.

3. Based on its review, as discussed in detail in the accompanying Staff Recommendation Memorandum, Staff proposes no dollar adjustments to the Company's ACA account balances filed October 31, 2014. Accordingly, Staff recommends the Commission issue an order directing Laclede to establish the ACA account balances as shown in the table contained in "Section VI Recommendations" of the Staff Recommendation Memorandum.

4. However, although Staff proposes no dollar adjustments to the Company's ACA account balances, based on its review Staff has certain comments, concerns and recommendations as reflected in the accompanying Staff Recommendation Memorandum. Staff recommends the Commission order Laclede to respond to these comments, concerns and recommendations within sixty (60) days.

5. Staff believes that Laclede may consider some of the information contained in the accompanying Staff Recommendation Memorandum to be Highly Confidential; however, Staff is not certain what portion(s) of the

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Staff Recommendation Memorandum Laclede may consider Highly Confidential. As a result, out of an abundance of caution, at this time Staff is filing the Staff Recommendation Memorandum as Highly Confidential in its entirety until it hears from Laclede what portion(s) of the Staff Recommendation Memorandum Laclede believes should be designated as Highly Confidential, if any. Thereafter, Staff will file a redacted Public version of its Staff Recommendation Memorandum. Therefore, Staff requests the Commission order Laclede to inform Staff within 10 days what portion(s) of the accompanying Staff Recommendation Memorandum Laclede believes should be designated as Highly Confidential within 10 days what portion(s) of the accompanying Staff Recommendation Memorandum Laclede believes should be designated as Highly Confidential within 10 days what portion(s) of the accompanying Staff Recommendation Memorandum Laclede believes should be

WHEREFORE, for the reasons stated above and discussed in detail in the accompanying Staff Recommendation Memorandum, Staff recommends the Commission issue an order directing Laclede (1) to inform Staff within 10 days what portion(s) of the accompanying Staff Recommendation Memorandum Laclede believes should be designated as Highly Confidential; (2) to respond within 60 days to Staff's comments, concerns and recommendations discussed in Sections II, IV and V of Staff's Recommendation Memorandum; and (3) to establish the ACA account balances as shown in the table contained in "Section VI Recommendations" of the Staff Recommendation Memorandum.

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Respectfully submitted,

# /s/ Jeffrey A. Keevil

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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 counsel of record this 18<sup>th</sup> day of December, 2015.

## /s/ Jeffrey A. Keevil