BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In The Matter of Missouri Gas Energy's) PGA Filing

File No. GR-2013-0422 Tariff No. YG-2014-0182

STAFF RESPONSE TO COMMISSION FILING

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COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), by and through counsel, and in response to the Commission's October 17 order hereby states:

1. On October 17, 2013, Laclede Gas Company-Missouri Gas Energy Operating Division ("Laclede-MGE" or "Company") filed a tariff sheet with an effective date of November 1, 2013, to reflect changes in Laclede-MGE's purchased gas adjustment (PGA) factors. On October 23, 2013, Laclede-MGE filed a substitute tariff sheet to correct an error in the sheet designation. The changes to the PGA factors are the result of estimated changes in the cost of natural gas for the upcoming winter season, and estimated changes in the actual cost adjustment (ACA) factor.

2. On October 17, 2013, the Commission ordered Staff to file its recommendation on an expedited basis, no later than October 24, 2013.

3. As explained in Staff's *Memorandum*, attached hereto as Attachment A and incorporated by reference, Staff has determined that the rates in the proposed tariff sheet were calculated according to MGE-Laclede's PGA clause. Staff will track and review the Laclede-MGE PGA factors and submit its results and recommendations in its ACA filing to the Commission on or before December 19, 2014. Therefore this tariff sheet should be approved on an interim basis, subject to refund.

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4. Laclede-MGE's Commission-approved PGA clause allows for ten business days' notice for filings to change its PGA factor, and therefore good cause exists for approval of this tariff sheet on less than 30 days' notice.

WHEREFORE, Staff respectfully recommends the following tariff sheet filed on

October 17, 2013, with an effective date of November 1, 2013, be approved on an

interim basis, subject to refund:

P.S.C. MO. No. 6

Original Sheet No. 24.3, Laclede Gas Company, All Missouri Gas Energy Service Areas, Cancelling P.S.C. MO No. 1, 28th Revised Sheet No. 24.3, Missouri Gas Energy, a Division of Southern Union Company, All Missouri Service Areas.

Respectfully Submitted,

/s/ John D. Borgmeyer

John D. Borgmeyer Deputy Legal Counsel Missouri Bar No. 61992 Attorney for the Staff of the Missouri Public Service Commission P.O. Box 360 Jefferson City, Missouri 65102 Telephone: (573) 751-5472 Fax: (573) 751-9285 Email: john.borgmeyer@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 24th day of October, 2013.

<u>/s/ John D. Borgmeyer</u>

MEMORANDUM

- TO: Missouri Public Service Commission Official Case File, Case No. GR-2013-0422, File No. YG-2014-0182 Laclede Gas Company - Missouri Gas Energy Operating Division
- FROM: Henry E. Warren, Tariff, Safety, Economic and Engineering Analysis Department, Energy Unit – Tariffs/Rate Design

/s/ Thomas M. Imhoff 10/24/13	/s/ John Borgmeyer 10/24/13
Regulatory Review Division/Date	Staff Counsel Division/Date

- SUBJECT: Staff Recommendation for Laclede Gas Company Missouri Gas Energy Operating Division's Winter PGA Filing Effective November 1, 2013
- DATE: October 24, 2013

On October 17, 2013, Laclede Gas Company - Missouri Gas Energy Operating Division (Laclede-MGE or Company), of St. Louis, Missouri, filed a tariff sheet bearing an effective date of November 1, 2013, for all MGE Service Areas. This tariff sheet was filed to reflect a change in the Laclede-MGE Purchased Gas Adjustment (PGA) factor as a result of estimated changes in the cost of natural gas for the 2013-2014 heating season. On October 23, 2013, Laclede-MGE filed a substitute tariff sheet correcting an error in the sheet designation.

This filing, as substituted, will decrease the firm PGA factor for the 2013-2014 heating season to \$0.55962 per one-hundred cubic feet (Ccf), from the current PGA factor of \$0.56529 per Ccf. This represents a decrease of \$0.00567 per Ccf.

Case No. GR-2013-0422, under which these changes were filed, was established to track the Laclede-MGE PGA factors to be reviewed in its 2012-2013 Actual Cost Adjustment (ACA) filing. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case No. GR-2013-0422.

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 19, 2014.

Staff is of the opinion that good cause for approval of this tariff sheet, as substituted, on less than thirty (30) days notice is demonstrated by the Laclede-MGE Commission-approved PGA Clause allowing for ten (10) business days' notice for PGA change filings. Staff has verified that the Company has filed its annual report and is not delinquent on any of its assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Although Laclede-MGE filed its tariff sheet, as substituted, with a requested effective date of November 1, 2013, the Commission may approve the sheet, as substituted, and order an earlier effective date. Staff recommends that the following tariff sheet filed on October 17, 2013, as substituted on October 23, 2013, be approved to become effective on November 1, 2013, be approved, interim subject to refund:

P.S.C. MO. No.6, Original SHEET No. 24.3, Laclede Gas Company, All Missouri Gas Energy Service Areas Canceling P.S.C. MO No. 1, Twenty-Eighth Revised SHEET No. 24.3, Missouri Gas Energy, a Division of Southern Union Company, All Missouri Service Areas.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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In the Matter of the Application of Missouri Gas Energy for a PGA Tariff Revision.

Case No. GR-2013-0422

AFFIDAVIT OF HENRY E. WARREN

STATE OF MISSOURI)) ss COUNTY OF COLE)

Henry E. 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

Subscribed and sworn to before me this 23⁻ day of October, 2013.

LAURA BLOCH Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 21, 2015 Commission Number: 11203914