

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

In the Matter of Missouri Gas Energy's) **Case No. GR-2016-0225**
PGA Filing) Tracking No. JG-2016-0228

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission in the above-captioned matter and files its Staff Recommendation as set forth in the accompanying Memorandum (which is incorporated herein by reference) concerning the March 4, 2016, tariff filing by Missouri Gas Energy ("MGE" or "Company"), a division of Laclede Gas Company, and further states as follows:

1. On March 4, 2016, MGE filed a tariff sheet with a requested effective date of March 21, 2016, to reflect a change in MGE's Purchased Gas Adjustment ("PGA") factor as a result of estimated changes in the cost of natural gas that have occurred since it established its existing PGA rates last November. As explained in the accompanying Memorandum, this filing will decrease the firm sales PGA factor to \$.43219 per one-hundred cubic feet (Ccf), from the current PGA factor of \$.46224 per Ccf. This represents a decrease of \$.03005.

2. Case No. GR-2016-0225, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2015-2016 Actual Cost Adjustment ("ACA") filing. Case Nos. GR-2015-0203 and GR-2014-0324 were established to track the Company's PGA factors to be reviewed in its 2014-2015 and 2013-2014 ACA filings, respectively. This rate change should be implemented on an interim basis, subject to refund, pending final Commission decisions in Case Nos. GR-2016-0225, GR-2015-0203, and GR-2014-0324.

3. Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing except for the cases mentioned above.

4. As explained in the accompanying Memorandum, Staff has reviewed this filing and has determined that it was calculated in conformance with MGE's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days' notice is demonstrated by MGE's Commission-approved PGA clause allowing for ten (10) business days' notice for PGA change filings.

WHEREFORE, Staff recommends the Commission issue an order approving the following tariff sheet as filed on March 4, 2016, on an interim basis, subject to refund:

P.S.C. MO. No. 6
Fifth Revised Sheet No. 24.3, Cancelling Fourth Revised Sheet No. 24.3

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 14th day of March, 2016.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2016-0225, Tariff No. JG-2016-0228
Missouri Gas Energy

FROM: Anne M. Crowe, Regulatory Auditor
Procurement Analysis Unit - Operational Analysis Department

/s/ David M. Sommerer 03/14/16 /s/ Jeffrey A. Keevil 03/14/16
Commission Staff Division / Date Staff Counsel's Office/ Date

SUBJECT: Staff Recommendation to Approve Missouri Gas Energy's Optional PGA Filing,
Effective March 21, 2016

DATE: March 14, 2016

On March 4, 2016, Missouri Gas Energy (MGE or "Company"), a division of Laclede Gas Company of St. Louis, Missouri, filed a tariff sheet requesting an effective date of March 21, 2016. This tariff sheet was filed to reflect a change in MGE's Purchased Gas Adjustment (PGA) factor as a result of estimated changes in the cost of natural gas that have occurred since it established its existing PGA rates last November.

This filing will decrease the firm sales PGA factor to \$.43219 per one-hundred cubic feet ("Ccf"), from the current PGA factor of \$.46224 per Ccf. This represents a decrease of \$.03005.

Case No. GR-2016-0225, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2015-2016 Actual Cost Adjustment (ACA) filing. Case Nos. GR-2015-0203 and GR-2014-0324 were established to track the Company's PGA factors to be reviewed in its 2014-2015 and 2013-2014 ACA filings, respectively. This rate change should be implemented on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2016-0225, GR-2015-0203, and GR-2014-0324.

Staff has verified that the Company has filed its annual report and is not delinquent on any PSC assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing except as set forth above.

Staff has reviewed this filing and has determined that it was calculated in conformance with MGE's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days' notice is demonstrated by MGE's Commission-approved PGA clause allowing for ten (10) business days' notice for PGA change filings. Therefore, Staff recommends the Commission issue an order approving the following tariff sheet as filed on March 4, 2016, on an interim basis, subject to refund:

P.S.C. MO. No. 6

Fifth Revised Sheet No. 24.3, Cancelling Fourth Revised Sheet No. 24.3

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's)
PGA Filing) Case No. GR-2016-0225

AFFIDAVIT OF ANNE M. CROWE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ANNE M. CROWE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

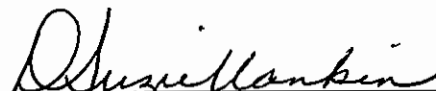


ANNE M. CROWE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 14th day of March 2016.





Notary Public