

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

In the Matter of Missouri Gas                    )  
Energy's (Laclede) PGA Filing                )

**Case No. GR-2016-0225**  
Tracking No. YG-2017-0063

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission and for its recommendation in this matter hereby respectfully states:

1. On October 28, 2016, Missouri Gas Energy ("MGE" or "Company"), an operating unit of Laclede Gas Company, filed a tariff sheet to reflect changes in its Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming season and changes in the Company's Actual Cost Adjustment (ACA) factors. The tariff sheet bears a proposed effective date of November 14, 2016.

2. The filing will increase the firm sales PGA Rate to \$0.49492 per one-hundred cubic feet (Ccf), from the current PGA Rate of \$0.43219 per Ccf. This represents an increase of \$0.06273 per Ccf. The filing also incorporates the \$0.86788 demand related purchase gas costs per Ccf referenced in footnote 2 on the tariff sheet and in the work paper. This cost reflects a \$0.00005 increase and only affects certain non-residential, large customers.

3. The Company's filing also reflects adjustments to the Company's ACA factors. Staff's Procurement Analysis Unit (PAU) will review the Company's ACA filing and may recommend adjustments to the ACA account balance(s). Due to the limited time available to review the documentation supporting the ACA factors represented in this filing, the PAU has requested permission to submit its results and recommendations

regarding the information included in this ACA filing to the Commission on or before December 18, 2017.

4. 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 ACA filing. Case No. GR-2015-0203 was established to track the Company's PGA factors to be reviewed in its 2014-2015 ACA filing. Case No. GR-2014-0324 was established to track the Company's PGA factors to be reviewed in its 2013-2014 ACA filing. Any rate change implemented pursuant to this tariff filing 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.

5. As explained in Staff's *Memorandum*, attached hereto and incorporated herein by reference, Staff has reviewed the current filing and determined that it was calculated in conformance with the Company's PGA clause. Therefore, Staff recommends the Commission approve the tariff sheet 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.

6. Staff also recommends the Commission order PAU Staff to file the results of its review of the ACA factors represented in this filing no later than December 18, 2017.

7. Staff has verified that the Company has filed its annual report, and is not delinquent on its PSC assessment. Staff is not aware of any other matters before the Commission that affects or is affected by this filing except as noted herein.

8. Staff is of the opinion that good cause for approval of the 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 on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2016-0225, GR-2015-0203 and GR-2014-0324, and that the Commission order PAU Staff to file the results of its ACA review in this docket no later than December 18, 2017:

P.S.C. MO No. 6

Sixth Revised SHEET No. 24.3, Cancelling Fifth Revised SHEET No. 24.3

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

Jeffrey A. Keevil  
Missouri Bar No. 33825  
Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 526-4887 (Telephone)  
(573) 751-9285 (Fax)  
Email: [jeff.keevil@psc.mo.gov](mailto:jeff.keevil@psc.mo.gov)

**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 7<sup>th</sup> day of November, 2016.

**/s/ Jeffrey A. Keevil**

**MEMORANDUM**

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2016-0225, Tariff No. YG-2017-0063  
Missouri Gas Energy

FROM: David M. Sommerer - Procurement Analysis Unit

/s/ David M. Sommerer 11/7/16      /s/ Jeffrey A. Keevil 11/7/16  
Commission Staff Division/Date      Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Missouri Gas Energy's Scheduled Winter PGA  
Filing Effective: November 14, 2016

DATE: November 7, 2016

On October 28, 2016, Missouri Gas Energy (MGE or Company), an operating unit of Laclede Gas Company, filed a tariff sheet bearing an effective date of November 14, 2016. This tariff sheet was filed to reflect a change in MGE's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming winter heating season and changes in the Company's ACA factors.

Pursuant to the Company's tariffs, its Total PGA rate currently includes two factors: (1) the Current Cost of Gas (CCG), which reflects the Company's best estimate of its cost of gas for the upcoming season, and (2) the Actual Cost Adjustment (ACA), which results from the corrections made through the Deferred Purchased Gas Cost-Actual Cost Adjustment Accounts.

This filing will increase the firm sales PGA factor to \$0.49492 per one-hundred cubic feet (Ccf), from the current PGA factor of \$0.43219 per Ccf. This represents an increase of \$0.06273 per Ccf. The filing also incorporates the \$0.86788 demand related purchase gas costs per Ccf referenced in footnote 2 on the tariff sheet and in the work paper. This cost reflects a \$0.00005 increase and only affects certain non-residential, large customers.

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. ACA filing Case No. GR-2015-0203 was established to track the Company's PGA factors to be reviewed in its 2014-2015 ACA filing. Case No. GR-2014-0324 was established to track the Company's PGA factors to be reviewed in its 2013-2014 ACA filing. Any rate change implemented pursuant to this tariff filing 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.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Unit (PAU) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 18, 2017.

OFFICIAL CASE FILE MEMORANDUM

MO PSC CASE NO. GR-2016-0225

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Staff has verified that this company has filed its annual report and is not delinquent on any of its assessments. Staff is not aware of any other matter before the Commission that affects or is affected by this filing, other than as mentioned above. Staff has reviewed this filing and determined that the rates on the proposed tariff sheets were 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 that the Commission issue an order approving the following tariff sheet, filed on October 28, 2016, on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2016-0225, GR-2015-0203 and GR-2014-0324:

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P.S.C. MO No.6

Sixth Revised SHEET No. 24.3, Canceling Fifth 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 DAVID M. SOMMERER**

STATE OF MISSOURI     )  
   )     ss.  
COUNTY OF COLE     )

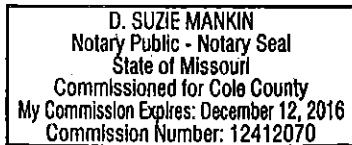
**COMES NOW DAVID M. SOMMERER** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.

  
**DAVID M. SOMMERER**

**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 7<sup>th</sup> day of November 2016.



  
Notary Public