BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Laclede)	
Gas Company's PGA Filing)	Case No. GR-2015-0201

STAFF RECOMMENDATION REGARDING LACLEDE GAS COMPANY'S 2014-2015 ACTUAL COST ADJUSTMENT FILING

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") 2014-2015 ACA filing as set forth in the accompanying Staff Recommendation Memorandum (Appendix A), and further states as follows:

- Laclede filed its ACA for the 2014-2015 period in this case on October 28, 2015. This filing contained Laclede's ACA account balances as of September 30, 2015.
- 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). Staff's review included a reliability analysis for Laclede, including a review of its estimate of customers' needs on a peak day (peak day requirements and the capacity levels to meet those requirements), peak day reserve margin and its rationale, and a review of gas supply plans for various weather conditions. Staff's review also included a review of Laclede's gas purchasing practices to determine the prudence of the Company's purchasing and operating decisions, and a hedging review. In addition, Staff's review included an analysis of billed revenues and actual gas costs for the period

October 1, 2014 through September 30, 2015, to determine whether there exists an over-recovery or under-recovery of the ACA balances. An over-recovery by the Company is shown as a negative balance that must be returned to customers; an under-recovery is shown as a positive balance that must be collected from customers.

- 3. Based on its review, as discussed in further detail in the accompanying Staff Recommendation Memorandum, Staff has proposed no dollar adjustments at this time to the Company's ACA account balances filed October 28, 2015. However, Staff recommends the Commission hold this case open pending further investigation into Laclede's compliance with the gas supply documentation requirements of Laclede's CAM and Standards of Conduct, as discussed in the "Gas Supply and Transportation Standards of Conduct" subsection of the Staff Recommendation Memorandum.
- 4. Also, based on its review, Staff has certain other concerns and recommendations as reflected in the accompanying Staff Recommendation Memorandum. Staff recommends the Commission order Laclede to respond to these recommendations and concerns within forty-five (45) days.

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 to respond within 45 days to Staff's recommendations and concerns included in the Staff Recommendation Memorandum and to hold this case open 1 pending further investigation into Laclede's compliance with the gas supply documentation requirements of Laclede's CAM and Standards of

2

¹ The preliminary ACA account balances shown in the table in the "Recommendations" section of the Staff Recommendation Memorandum should not be finalized at this time.

Conduct, as discussed in the "Gas Supply and Transportation Standards of Conduct" subsection of the Staff Recommendation Memorandum.

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil Missouri Bar No. 33825 Deputy Counsel 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

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 16th day of December, 2016.

/s/ Jeffrey A. Keevil