BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In The Matter of Missouri Gas Energy's) File No. GR-2015-0203 (Laclede) PGA Filing) Tariff No. JG-2015-0257

STAFF RECOMMENDATION TO APPROVE DECREASE TO INTERIM RATES

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation in this matter hereby states:

- 1. On February 13, 2015, Laclede Gas Company d/b/a Missouri Gas Energy (MGE or Company) filed a revised tariff sheet with a proposed effective date of March 1, 2015. The proposed tariff adjusts MGE's Purchased Gas Adjustment (PGA) rate to decrease the cost of gas for MGE customers.
- 2. On February 17, the Commission directed Staff to file a recommendation on the Company's tariff by February 20, 2015. Staff's recommendation is attached hereto as Appendix A and incorporated by reference.
- 3. As explained in Staff's recommendation, MGE's proposed tariff sheet will decrease the firm PGA factor to \$0.53209 per one hundred cubic feet (Ccf), from the current PGA factor of \$0.68540 per Ccf. This represents a decrease of \$0.15331 per Ccf.
- 4. Case No. GR-2015-0203, under which these changes were filed, is being established to track the Company's PGA factors to be reviewed in its 2014-2015 Actual Cost Adjustment (ACA) filing. ACA filing Case No. GR-2014-0324 and GR-2013-0422 were established to track the Company's PGA factors to be reviewed in its 2013-2014 and 2012-2013 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-2015-0203, GR-2014-0324 and GR-2013-0422.1

Staff is of the opinion that good cause for approval of this tariff sheet on 5. 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. Staff has verified that Laclede has filed its annual report and is not delinquent on any of its assessment. Other than the cases mentioned above, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

WHEREFORE, Staff recommends that the following tariff sheet, filed on February 13, 2015, be approved to become effective on March 1, 2015, interim subject to refund:

P.S.C. MO. No.6

Third Revised SHEET No. 24.3, Cancelling Second Revised SHEET No. 24.3

Respectfully submitted,

/s/ John D. Borgmeyer

John D. Borgmeyer Deputy Staff 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

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¹ On January 14, 2015, the Commission issued its *Order Establishing ACA Balance* in GR-2013-0422.

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 20th day of February, 2015.

/s/ John D. Borgmeyer

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,

Case No. GR-2015-0203, Tracking No. JG-2015-0257

Missouri Gas Energy

FROM: Michelle Bocklage, Tariff, Safety, Economic and Engineering Analysis

Department, Energy Unit – Tariffs/Rate Design

<u>/s/ Thomas M. Imhoff 2/20/2015</u> <u>/s/ John D. Borgmeyer 2/20/2015</u>

Regulatory Review Division Staff Counsel Division

SUBJECT: Staff Recommendation for Missouri Gas Energy's Optional PGA Filing

Effective: March 1, 2015

DATE: February 20, 2015

On February 13, 2015, Laclede Gas Company, Missouri Gas Energy (MGE or Company), filed a tariff sheet bearing an effective date of March 1, 2015. 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 for the remaining winter season.

This filing will decrease the firm PGA factor to \$0.53209 per one-hundred cubic feet (Ccf), from the current PGA factor of \$0.68540 per Ccf. This represents a decrease of \$0.15331 per Ccf.

Case No. GR-2015-0203, under which these changes were filed, is being established to track the Company's PGA factors to be reviewed in its 2014-2015 Actual Cost Adjustment (ACA) filing. ACA filing Case No. GR-2014-0324 and GR-2013-0422 were established to track the Company's PGA factors to be reviewed in its 2013-2014 and 2012-2013 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-2015-0203, GR-2014-0324 and GR-2013-0422.

The Energy Tariffs/Rate Design Staff (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. 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.

Staff recommends that the filing be approved to become effective on March 1, 2015, and that the following tariff sheet, filed on February 13, 2015, be approved, interim subject to refund:

P.S.C. MO. No.6

Third Revised SHEET No. 24.3, Cancelling Second Revised SHEET No. 24.3

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's (Laclede) PGA Filing)	Case No. GR-2015-0203
AFFIDAVIT OF MICHELLE BOCKLAGE		
STATE OF MISSOURI) ss) ss)		
Michelle Bocklage of lawful age, on oath states: that she 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 her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief. Michelle Bocklage		
Subscribed and sworn to before me this 1940 da	ay of Febr	ruary, 2015.
LAURA DISTLER Notary Public - Notary Seal STATE OF MISSOUR! Commissioned for Cole County My Commission Expires: June 21, 2015 Commission Number: 11203914	<u> </u>	Notary Public