

**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**

**STAFF RECOMMENDATION REGARDING MISSOURI GAS ENERGY'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 the 2014-2015 ACA filing of Missouri Gas Energy (“MGE” or “Company”), an operating unit of Laclede Gas Company (“Laclede”), as set forth in the accompanying Staff Recommendation Memorandum (Appendix A), and further states as follows:

1. MGE filed its ACA for the 2014-2015 period in this case on October 28, 2015. This filing contained MGE’s ACA account balance calculation.
2. The Procurement Analysis Unit (“Staff”) has reviewed MGE’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 analysis consisted of an examination of MGE’s gas purchasing practices to evaluate the prudence of the Company’s purchasing and operating decisions for this ACA period; a reliability analysis of estimated peak cold day requirements and the capacity levels needed to meet those requirements; the Company’s rationale for its reserve margin for a peak cold day; a review of supply plans for various weather conditions; and a hedging review to evaluate the reasonableness of the Company’s hedging plans. Staff’s review also included a comparison of the

Company's billed revenues and its actual gas costs to determine whether there exists an over-recovery or under-recovery of the ACA balance. An over-recovery by the Company is shown as a negative ACA balance that must be returned to customers; an under-recovery is shown as a positive ACA balance that must be collected from customers.

3. Based on its review, as discussed in further detail in the accompanying Staff Recommendation Memorandum, Staff recommends the Commission issue an order directing MGE to adjust its ACA account balance<sup>1</sup> and establish the ACA account balance shown in the table in the "Recommendations" section of the Staff Recommendation Memorandum to reflect the balance as of June 30, 2015.

4. In addition to the dollar adjustments referenced above, based on its review Staff has certain comments, concerns, and recommendations as reflected in the accompanying Staff Recommendation Memorandum. Staff recommends the Commission order MGE to respond to all comments, concerns, and recommendations in the Staff Recommendation Memorandum 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 MGE to respond within 45 days to Staff's comments, concerns, and recommendations included in the Staff Recommendation Memorandum, and to adjust its ACA account balance and establish the ACA account balance shown in the table in the "Recommendations" section of the Staff Recommendation Memorandum to reflect the balance as of June 30, 2015.

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<sup>1</sup> The individual adjustments comprising the total adjustment are set forth in the "Actual Gas Costs and Billed Revenue" section of the Staff Recommendation Memorandum.

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 12<sup>th</sup> day of December, 2016.

**/s/ Jeffrey A. Keevil**