

4. On March 16, 2017, MGE entered responses into EFIS to the other DRs submitted on February 24, 2017. Procurement Analysis Unit Staff has reviewed MGE's March 16 responses and does not agree with all statements made therein and has concerns with certain aspects related to Reliability and Gas Supply Analysis, Section III, of the Staff Recommendation.

5. In the Staff Recommendation, Staff made recommendations (see page 8) related to MGE's review of its transaction confirmations and instant messages with natural gas suppliers to assure that the supply agreements contain the necessary details regarding when secondary delivery is allowed and when primary delivery is expected. Secondary delivery of gas is a potential reliability issue. When MGE allows gas to be delivered to secondary points, and MGE is relying on this gas for its supply requirements, then each of these supply agreements must specify when primary delivery is expected.

6. According to the Commission's *Order Approving Stipulation and Agreement, Granting Waiver, and Approving Cost Allocation Manual* in Case No. GC-2011-0098 (effective 8/24/2013), and as referenced in the *Order Approving Unanimous Stipulation and Agreement* in Case No. GM-2013-0254 (effective 7/31/2013), the Company was to implement all provisions of the Gas Supply and Transportation Standards of Conduct (Standards of Conduct) within no later than 10-days after the effective date of the Commission Order approving the Stipulation & Agreement in GC-2011-0098. The Standards of Conduct contain, among other things, documentation requirements concerning the Company's dealings with natural gas suppliers, including its dealings with affiliated suppliers.

7. In the Staff Recommendation, Staff made several recommendations (see pages 9-12) for Company compliance with various documentation requirements in the Standards of Conduct. MGE provided additional information in various responses to follow-up DRs in this case. Staff continues to have concerns regarding compliance with the documentation requirements of the Standards of Conduct. Staff will review MGE documentation in more detail in Case No. GO-2017-0223, Staff's investigation of Laclede's compliance with the gas supply documentation requirements of its cost allocation manual (CAM) and Standards of Conduct.

WHEREFORE, Staff submits this status report and respectfully requests that this case remain open pending resolution of items in the Staff ACA recommendation and pending resolution of items identified in Case No. GO-2017-0223, Staff's investigation of Laclede's compliance with the gas supply documentation requirements of its CAM and Standards of Conduct.

Respectfully submitted,

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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 7th day of April, 2017.

/s/ Jeffrey A. Keevil