

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

In the Matter of The Empire District Gas	)	<b><u>Case No. GR-2017-0134</u></b>
Company's Purchased Gas Adjustment (PGA)	)	Tariff No. YG-2017-0065
Tariff Filing	)	

**STAFF RECOMMENDATION**

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

1. On November 1, 2016, The Empire District Gas Company ("EDG" or "Company"), filed three tariff sheets bearing a proposed effective date of November 16, 2016. The tariff sheets were filed to reflect changes in EDG's Purchased Gas Adjustment ("PGA") factors as the result of estimated changes in the cost of natural gas for the upcoming season and changes in the Actual Cost Adjustment ("ACA") factors.

2. For EDG's South System, this filing will increase the Total PGA for Residential (RS), Small Commercial Firm (SCF), Small Volume Firm (SVF) and Large Volume Firm (LVF) customers to \$0.51912 per one-hundred cubic feet ("Ccf"), from the current Total PGA of \$0.47612 per Ccf. This represents an increase of \$0.04300 per Ccf. The Large Volume Interruptible (LVI) Total PGA increases to \$0.49824 from the current LVI Total PGA of \$0.49624 per Ccf. This represents an increase of \$0.00200.

3. For EDG's North System, this filing will decrease the Total PGA for RS, SCF, SVF and LVF customers to \$0.48714 per Ccf, from the current Total PGA of \$0.49903 per Ccf. This represents a decrease of \$0.01189 per Ccf. For the LVI this filing will decrease the Total PGA to \$0.42705 per Ccf from the current Total PGA of \$0.45814 per Ccf. This represents a decrease of \$0.03109 per Ccf.

4. For EDG's Northwest (NW) System, this filing will decrease the Total PGA for RS, SCF, SVF and LVF customers to \$0.34537 per Ccf, from the current Total PGA of \$0.37828 per Ccf. This represents a decrease of \$0.03291 per Ccf. For the LVI this filing will decrease the Total PGA to \$0.37904 per Ccf from the current Total PGA of \$0.38738 per Ccf. This represents a decrease of \$0.00834 per Ccf.

5. 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.

6. Case No. GR-2017-0134, 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-2016-0099 was established to track the Company's PGA factors to be reviewed in its 2014-2015 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-2017-0134 and GR-2016-0099.

7. As explained in the Staff Recommendation set forth in the accompanying Memorandum, which is 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 sheets on an

interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2017-0134 and GR-2016-0099.

8. 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.

9. 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.

10. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days' notice is demonstrated by EDG'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 sheets on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2017-0134 and GR-2016-0099, 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. 2

12<sup>th</sup> Revised Sheet No. 62, Cancelling 11<sup>th</sup> Revised Sheet No. 62

12<sup>th</sup> Revised Sheet No. 63, Cancelling 11<sup>th</sup> Revised Sheet No. 63

12<sup>th</sup> Revised Sheet No. 65, Cancelling 11<sup>th</sup> Revised Sheet No. 65

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

**/s/ Jeffrey A. Keevil**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2017-0134, File No. YG-2017-0065  
The Empire District Gas Company.

FROM: Michael J. Ensrud, 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 The Empire District Gas Company Scheduled Winter  
PGA Filing Effective Date November 16, 2016

DATE: November 7, 2016

On November 1, 2016, The Empire District Gas Company, (“EDG” or “Company”), filed three tariff sheets bearing a proposed effective date of November 16, 2016. The tariff sheets were filed to reflect changes in EDG’s Purchased Gas Adjustment (“PGA”) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season and changes in the Actual Cost Adjustment (“ACA”) factors.

On November 2, 2016, the Commission issued its ORDER ESTABLISHING TIME TO FILE RECOMMENDATION which stated: “Staff shall file a recommendation regarding The Empire District Gas Company’s PGA tariff no later than November 4, 2016.” Later that same day, an amended order extended Staff’s deadline to file until noon, November 7, 2016.

For the South System served by Southern Star Central Gas Pipeline, which includes the cities of Clinton, Lexington, Marshall and Sedalia, this filing will **increase** the firm Total PGA factor for Residential (RS), Small Commercial Firm (SCF), Small Volume Firm (SVF) and Large Volume Firm (LVF) customers for the upcoming heating season to \$0.51912 per one-hundred cubic feet (“Ccf”), from the current firm Total PGA factor of \$0.47612 per Ccf. This represents an **increase** of \$0.04300 per Ccf. The Large Volume Interruptible (LVI) Total PGA factor **increases** to \$0.49824 from the current LVI Total PGA factor of \$0.49624 per Ccf. This represents an **increase** of \$0.00200. .

For the North System served by Panhandle Eastern Pipe Line Company, which includes the cities of Chillicothe, Marceline and Trenton, this filing will **decrease** the firm Total PGA factor for RS, SCF, SVF and LVF customers for the upcoming heating season to \$0.48714 per Ccf, from the current firm Total PGA factor of \$0.49903 per Ccf. This represents a **decrease** of \$0.01189 per Ccf. For the LVI this filing will **decrease** the LVI Total PGA factor to \$0.42705 per Ccf from the current LVI Total PGA factor of \$0.45814 per Ccf. This represents a **decrease** of \$0.03109 per Ccf.

For the Northwest (NW) System served by ANR Gas, which includes the communities of Rockport, Maryville and Tarkio, this filing will **decrease** the firm Total PGA factor for RS, SCF, SVF and LVF customers for the upcoming heating season to \$0.34537 per Ccf, from the current firm Total PGA factor of \$0.37828 per Ccf. This represents a **decrease** of \$0.03291 per Ccf. For the LVI this filing will **decrease** the LVI Total PGA factor to \$0.37904 per Ccf from the current LVI Total PGA factor of \$0.38738 per Ccf. This represents a **decrease** of \$0.00834 per Ccf.

Case No. GR-2017-0134, under which these changes were filed, is being established to track the Company's PGA factors to be reviewed in its 2015-2016 ACA filing. Case No. GR-2016-0099 was established to track the Company's PGA factors to be reviewed in its 2014-2015 ACA filing. Any rate change implemented pursuant to this tariff filing should be implemented on an interim basis, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2016-0099, and GR-2017-0134.

Due to the limited time available to review the documentation supporting the ACA factors 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.

Staff has verified that the Company has filed its annual report and is current on its PSC assessment. 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 has determined that it was calculated in conformance with EDG's PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days' notice is demonstrated by EDG'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 sheets filed on November 1, 2016, on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2017-0134 and GR-2016-0099:

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P.S.C. MO No. 2

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