

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

In the Matter of The Empire District Gas Company's) Case No. GR-2019-0124
Purchased Gas Adjustment Tariff Filing) Tariff No. YG-2019-0075

**STAFF RECOMMENDATION REGARDING THE EMPIRE DISTRICT GAS
COMPANY'S 2017-2018 ACTUAL COST ADJUSTMENT FILING**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and files its Actual Cost Adjustment (ACA) Recommendation in this matter.

1. Empire filed for its 2017-2018 ACA on November 2, 2018. This filing contained three proposed tariff sheets and Empire's ACA account balance calculation.

2. On November 28, 2018 the Commission approved the proposed tariff sheets on an interim and refundable basis and ordered Staff to file a recommendation regarding its ACA review by December 17, 2019.

3. The Procurement Analysis Department (Staff) reviewed Empire's filing and submits its recommendation in the accompanying Memorandum, marked Appendix A and incorporated herein by reference. Staff's analysis consisted of examining the prudence of Empire's gas purchasing decisions for this ACA period, conducting a reliability analysis, and reviewing Empire's hedging practices. Staff also reviewed Empire's billed revenues and its actual gas costs to determine whether there is an over-recovery or under-recovery of the ACA balances.

4. Staff has proposed adjustments to the ending ACA balances in Empire's filing. Staff recommends the Commission issue an order establishing Empire's ending ACA balances as those in the "8-31-18 Staff Recommended Ending Balances" column of the table in the memorandum's Recommendations section.

5. Staff lists other recommendations in the Recommendations section. Staff recommends the Commission order Empire to respond to these recommendations within forty-five (45) days.

WHEREFORE, Staff recommends the Commission issue an order establishing Empire's ending ACA account balances as of August 31, 2018 as shown in the "8-31-18 Staff Recommended Ending Balances" column of the table in the Recommendations section of Staff's memorandum and directing Empire to respond within 45 days to Staff's other recommendations discussed in its Memorandum.

Respectfully submitted,

/s/ Karen E. Bretz

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties and/or counsel of record on this 13th day of December, 2019.

/s/ Karen E. Bretz