

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

In the Matter of Laclede Gas Company d/b/a )	<b><u>Case No. GR-2017-0300</u></b>
Missouri Gas Energy's Purchased Gas )	Tracking No. YG-2018-0049
Adjustment (PGA) Factors to be reviewed in )	
Its 2016-2017 Actual Cost Adjustment )	

**STAFF RECOMMENDATION**

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

1. On October 31, 2017, Spire Missouri Inc. d/b/a Spire<sup>1</sup> (herein "Spire", "MGE" or "Company") filed a tariff sheet to reflect changes in its Purchased Gas Adjustment (PGA) factors for its Missouri Gas Energy Service Areas<sup>2</sup> as a result of estimated changes in the cost of natural gas for the upcoming season and changes in the Actual Cost Adjustment (ACA) factors. The tariff sheet bears a proposed effective date of November 15, 2017.

2. The filing will decrease the firm sales PGA Rate to \$0.51977 per Ccf from the current PGA Rate of \$0.56934 per Ccf. This represents a decrease of \$0.04957 per Ccf.

3. The Company's filing also reflects adjustments to the 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

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<sup>1</sup> Formerly known as Laclede Gas Company.

<sup>2</sup> Formerly the Missouri Gas Energy operating division of Laclede Gas Company.

regarding the information included in this ACA filing to the Commission on or before December 17, 2018.

4. Case No. GR-2017-0300, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2016-2017 ACA filing. Case No. GR-2016-0225 was established to track the Company's PGA factors to be reviewed in its 2015-2016 ACA filing. Case No. GR-2015-0203 was established to track the Company's PGA factors to be reviewed in its 2014-2015 ACA filing. In addition, in response to Staff's filings regarding the 2013-2014 ACA filing of Missouri Gas Energy (Case No. GR-2014-0324) and the 2014-2015 ACA filing of Laclede Gas Company (Case No. GR-2015-0201), on February 22, 2017, the Commission opened a docket which has been assigned Case No. GO-2017-0223 for the purpose of investigating Laclede's (now Spire's) compliance with the gas supply documentation requirements of its CAM and Standards of Conduct, which remains open. 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-2017-0300, GR-2016-0225, GR-2015-0203, and GO-2017-0223.

5. As explained in Staff's *Memorandum*, attached hereto and incorporated herein by reference, Staff has reviewed the current filing and determined that it was calculated in conformance with the Company's applicable PGA clause. Therefore, Staff recommends the Commission approve the tariff sheet on an interim, subject to refund status pending final Commission orders in Case Nos. GR-2017-0300, GR-2016-0225, GR-2015-0203, and GO-2017-0223.

6. 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 17, 2018.

7. 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.

8. Staff is of the opinion that good cause for approval of the tariff sheet on less than thirty (30) days' notice is demonstrated by the Company'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 sheet on an interim basis, subject to refund pending final Commission orders in Case Nos. GR-2017-0300, GR-2016-0225, GR-2015-0203, and GO-2017-0223, and that the Commission order PAU Staff to file the results of its ACA review in this docket no later than December 17, 2018:

P.S.C. MO No. 6  
Eighth Revised SHEET No. 24.3, Cancelling Seventh Revised SHEET No. 24.3

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

Jeffrey A. Keevil  
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Attorney for the Staff of the  
Missouri Public Service  
Commission  
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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, 2017.

**/s/ Jeffrey A. Keevil**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2017-0300, Tariff No. YG-2018-0049,  
Missouri Gas Energy

FROM: Michael J. Ensrud - Procurement Analysis Unit

/s/ David M. Sommerer 11/7/17      /s/ Jeffrey A. Keevil 11/7/17  
Commission Staff Division/Date      Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Missouri Gas Energy's Scheduled Winter PGA  
Filing Effective: November 15, 2017

DATE: November 7, 2017

On October 31, 2017, the western Missouri operating division of Spire Missouri Inc., d/b/a Spire (“Company”, “Spire”, or “MGE”) (formerly known as Laclede Gas Company, d/b/a Missouri Gas Energy) filed a tariff sheet bearing an effective date of November 15, 2017. This tariff sheet was filed to reflect a change in MGE’s Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming winter heating season and changes in the Company’s ACA factors.

Pursuant to the Company’s tariffs, its Total PGA rate currently includes two factors: (1) the Current Cost of Gas (CCG), which reflects the Company’s best estimate of its cost of gas for the upcoming season, and (2) the Actual Cost Adjustment (ACA), which results from the corrections made through the Deferred Purchased Gas Cost-Actual Cost Adjustment Accounts.

Spire’s cover letter characterizes the proposed rate change as follows:

In November 2016, the underlying charge for natural gas was set at \$0.49492 per Ccf for the Company’s residential customers and in June 2017, this charged [*sic*] was updated to \$0.56934 per Ccf. Over the past year, the market price of natural gas has fluctuated within a relatively narrow range. As a result, the Company’s underlying charge for natural gas for firm sales customers will be \$0.51977 per Ccf.

Staff concurs with Spire’s characterization of both the historical PGA rates and the proposed change in rates. The proposed rate change constitutes a \$0.04957 decrease per Ccf from the existing (June 1, 2017) rate, but an increase of \$0.02485 per Ccf from last year’s (November 14, 2016) approved rate.

On October 31, 2017, the Commission issued an ORDER DIRECTING EXPEDITED FILINGS, which establishes a November 7, 2017 deadline for Staff to file its recommendation.

OFFICIAL CASE FILE MEMORANDUM

MO PSC CASE NO. GR-2017-0300

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Case No. GR-2017-0300, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2016-2017 Actual Cost Adjustment (ACA) filing. Case No. GR-2016-0225 was established to track the Company's PGA factors to be reviewed in its 2015-2016 ACA filing. Additionally, Case No. GR-2015-0203 also remains open 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, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2017-0300, GR-2016-0225, and GR-2015-0203. In addition, in response to Staff's filings regarding the 2013-2014 ACA filing of Missouri Gas Energy (Case No. GR-2014-0324) and the 2014-2015 ACA filing of Laclede Gas Company (Case No. GR-2015-0201), on February 22, 2017, the Commission opened a docket which has been assigned Case No. GO-2017-0223 for the purpose of investigating Laclede's (now Spire's) compliance with the gas supply documentation requirements of its CAM and Standards of Conduct, which remains open.

Due to the limited time available to review the documentation supporting the ACA factor 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 17, 2018.

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, other than as mentioned above. Staff has reviewed this filing and determined that the rates on the proposed tariff sheets were calculated in conformance with MGE's PGA Clause. 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. Therefore, Staff recommends that the Commission issue an order approving the following tariff sheet, filed on October 31, 2017, on an interim basis, subject to refund pending final Commission orders in Case Nos. GR-2017-0300, GR-2016-0225, GR-2015-0203, and GO-2017-0223:

P.S.C. MO No.6

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Eighth Revised SHEET No. 24.3, Canceling Seventh Revised SHEET No. 24.3

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

In the Matter of Laclede Gas Company            )  
d/b/a Missouri Gas Energy's Purchased        )  
Gas Adjustment (PGA) Factors to be            )  
Reviewed in its 2016-2017 Actual Cost        )  
Adjustment    )

Case No. GR-2017-0300

**AFFIDAVIT OF MICHAEL J. ENSRUD**

STATE OF MISSOURI        )  
  )  
COUNTY OF COLE         )        ss.

**COMES NOW MICHAEL J. ENSRUD** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
MICHAEL J. ENSRUD

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 6<sup>th</sup> day of November, 2017.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 12, 2020  
Commission Number: 12412070

  
Notary Public