

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

In the Matter of Missouri Gas Energy's) **File No. GR-2013-0422**
PGA Filing) Tariff No. JG-2013-0396

STAFF RECOMMENDATION TO APPROVE TARIFF FILING

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and files its Recommendation in this case that the Commission approve Missouri Gas Energy's Optional PGA tariff filing. In support Staff states as follows:

1. On March 15, 2013, Southern Union Company, d/b/a Missouri Gas Energy ("MGE") filed a tariff sheet proposed to become effective April 1, 2013.
2. On March 19, 2013, the Commission issued an Order directing Staff to file its recommendation herein no later than March 22, 2013.
3. MGE's tariff filing will decrease MGE's firm PGA factor to \$0.56529 per one-hundred cubic feet (Ccf), from the current PGA factor of \$0.60470 per Ccf. This represents a decrease of \$0.03941 per Ccf.
4. In Staff's attached Recommendation, Staff recommends the Commission approve this tariff sheet, which reduces MGE's PGA Rate, on an expedited basis, interim subject to refund, with an effective date of April 1, 2013.

WHEREFORE, Staff recommends approval of MGE's tariff filing on an expedited basis, interim subject to refund, with an effective date of April 1, 2013.

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 all counsel of record this 22nd day of March, 2013.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2013-0422, File No. JG-2013-0396
Missouri Gas Energy

FROM: Henry E. Warren, Tariff, Safety, Economic and Engineering Analysis Department,
Energy Unit – Tariffs/Rate Design

/s/ Thomas M. Imhoff 3/22/2013
Regulatory Review Division/Date

/s/ Jeff Keevil 3/22/2013
Staff Counsel Division/Date

SUBJECT: Staff Recommendation for Missouri Gas Energy's Optional PGA Filing - Effective
April 1, 2013

DATE: March 22, 2013

On March 15, 2013, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri, filed a tariff sheet bearing an effective date of April 1, 2013. This tariff sheet was filed to reflect a change in MGE's Purchased Gas Adjustment (PGA) factor as a result of estimated changes in the cost of natural gas for the remaining 2012-2013 heating season.

This filing will decrease the firm PGA factor for the remaining 2012-2013 heating season to \$0.56529 per one-hundred cubic feet (Ccf), from the current PGA factor of \$0.60470 per Ccf. This represents a decrease of \$0.03941 per Ccf.

Case No. GR-2013-0422, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2012-2013 Actual Cost Adjustment (ACA) filing. Case No. GR-2012-0262 was established to track the Company's PGA factors to be reviewed in its 2011-2012 ACA filing. Case No. GR-2011-0290 was established to track the Company's PGA factors to be reviewed in its 2010-2011 ACA filing. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2013-0422, GR-2012-0262, and GR-2011-0290.

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. Staff has verified that this company has filed its annual report and is not delinquent on any of its assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Although MGE filed its tariff sheet with a requested effective date of April 1, 2013, the Commission may approve them and order an earlier effective date. Staff recommends that the filing be approved to become effective on April 1, 2013, and that the following tariff sheet, filed on March 15, 2013, be approved, interim subject to refund:

P.S.C. MO. No.1

Twenty-Eighth Revised SHEET No. 24.3, Cancelling Twenty-Seventh Revised SHEET No. 24.3

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

In the Matter of the Application of Missouri)
Gas Energy for a PGA Tariff Revision.) Case No. GR-2013-0422

AFFIDAVIT OF HENRY E. WARREN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Henry E. Warren, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Henry E. Warren

Subscribed and sworn to before me this 21st day of March, 2013.





Notary Public