

**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 ) **Case No. GR-2017-0300**  
Adjustment (PGA) Factors to be Reviewed )  
In its 2016-2017 Actual Cost Adjustment )

**STAFF RECOMMENDATION REGARDING MISSOURI GAS ENERGY’S  
2016-2017 ACTUAL COST ADJUSTMENT FILING**

**COMES NOW** the Staff of the Missouri Public Service Commission in the above-captioned matter and files its Actual Cost Adjustment (“ACA”) Recommendation in this case concerning the 2016-2017 ACA filing of Missouri Gas Energy<sup>1</sup> (hereafter “Spire West” or “Company”), an operating unit of Laclede Gas Company<sup>2</sup> (“Spire Missouri”), as set forth in the accompanying Staff Recommendation Memorandum (Appendix A), and further states as follows:

1. Spire West filed its ACA for the 2016-2017 period in this case on October 31, 2017. This filing contained Spire West’s ACA account balance calculation.

2. The Procurement Analysis Department (“Staff”) has reviewed Spire West’s filing and submits its recommendation as further explained in the accompanying Staff Recommendation Memorandum, marked as Appendix A and incorporated herein by reference. Staff’s analyses consisted of an examination of Spire West’s gas purchasing practices to evaluate the prudence of the Company’s purchasing and operating decisions for this ACA period; a reliability analysis of estimated peak cold day requirements and the capacity levels needed to meet those requirements; the Company’s rationale for its reserve margin for a peak cold day; a review of supply plans

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<sup>1</sup> Currently also known as Spire Missouri West.  
<sup>2</sup> Currently also known as Spire Missouri Inc. d/b/a Spire.

for various weather conditions; and a hedging review to evaluate the reasonableness of the Company's hedging plans. Staff's review also included a comparison of the Company's billed revenues and its actual gas costs to determine whether there exists an over-recovery or under-recovery of the ACA balance. An over-recovery by the Company is shown as a negative ACA balance that must be returned to customers; an under-recovery is shown as a positive ACA balance that must be collected from customers.

3. Based on its review, as discussed in further detail in the accompanying Staff Recommendation Memorandum, Staff recommends a total proposed adjustment of \$(324,965.65) for the current ACA period and recommends an ACA balance ending June 30, 2017 as shown in the table in the "Recommendations" section of the Staff Recommendation Memorandum. Further, Staff recommends that a meeting between the Company and Staff be held within 60 days from the filing date of this ACA recommendation in an attempt to resolve the gas cost accounting discrepancies identified in the Staff Recommendation Memorandum.

4. In addition to the dollar adjustment discussed above, Staff has made certain comments, concerns, and recommendations in the attached Staff Recommendation Memorandum. Accordingly, Staff recommends the Commission order Spire West to respond to all comments, concerns, and recommendations in the Staff Recommendation Memorandum within forty-five (45) days.

5. Staff further recommends the Commission hold this case open pending resolution of the prior Spire West (a/k/a MGE) ACA case, File No. GR-2016-0225, which remains open.

**WHEREFORE**, for the reasons stated above and discussed in detail in the accompanying Staff Recommendation Memorandum, Staff recommends the Commission issue an order (1) directing Spire West to respond within 45 days to Staff's comments, concerns, and recommendations included in the Staff Recommendation Memorandum; (2) directing MGE to meet with Staff within 60 days from the filing date of this ACA recommendation to attempt to resolve the gas cost accounting discrepancies noted by Staff in the attached Staff Recommendation Memorandum; and (3) keeping this case open pending resolution of the Company's prior ACA case, File No. GR-2016-0225.

Respectfully submitted,

**/s/ Robert S. Berlin**

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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 17<sup>th</sup> day of December, 2018.

**/s/ Robert S. Berlin**