

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2009-0306, File No. YG-2010-0302, Missouri Gas Utility

FROM: Thomas M. Imhoff, Energy Department – Tariffs/Rate Design

<u>/s/ Thomas M. Imhoff 11/5/09</u> Energy Department/Date	<u>/s/ Lera Shemwell 11/5/09</u> General Counsel's Office/Date
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SUBJECT: Staff Recommendation on Missouri Gas Utility's Scheduled Winter Season PGA
Filing - Effective November 13, 2009

DATE: November 5, 2009

On October 29, 2009, Missouri Gas Utility (MGU or Company) of Littleton, Colorado filed tariff sheets requesting an effective date of November 13, 2009. The tariff sheets were filed to reflect changes in MGU'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) factor. The winter season includes the months of November through March.

MGU erroneously filed the tariff in a new PGA/ACA case GR-2010-0129. On November 3, 2009, MGU filed a Motion To Consolidate the new case, GR-2010-0129 with the PGA/ACA case it should have been filed in GR-2009-0306. On November 3, 2009, the Commission issued an ORDER CONSOLIDATING CASES AND EXTENDING DEADLINE FOR STAFF'S RECOMMENDATION AND RESPONSES (Order). The Order consolidated GR-2010-0129 with GR-2009-0306 designating GR-2009-0306 as the lead case and closing out GR-2010-0129.

For MGU's Northern system (serving communities such as Hamilton and Gallatin), this filing will decrease the firm PGA factor for all firm customers for the upcoming heating season to \$0.6340 per hundred cubic feet (Ccf), from the current firm PGA factor of \$0.6796 per Ccf. This represents a decrease of \$0.0456 per Ccf for all firm customers.

For MGU's Southern system (serving communities such as Warsaw and Cole Camp), this filing will decrease the firm PGA factor for all firm customers for the upcoming heating season to \$0.5666 per Ccf, from the current firm PGA factor of \$0.6007 per Ccf. This represents a decrease of \$0.0331 per Ccf for all firm customers.

Case No. GR-2009-0306, under which these changes were consolidated into and filed, was established to track the Company's PGA factors to be reviewed in its 2008-2009 ACA filing. These

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rate changes should be on an interim, subject to refund status pending a final Commission decision in ACA Case Nos. GR-2009-0306.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2010.

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

Staff has reviewed this filing and has determined that it was calculated in conformance with MGU'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 MGU's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet be approved, interim subject to refund:

P.S.C. MO. No.1

Eighth Revised Sheet No. 51, Cancels Seventh Revised Sheet No. 51
Second Revised Sheet No. 52, Cancels First Revised Sheet No. 52

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Utility's
Purchased Gas Adjustment

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Case No. GR-2009-0306

AFFIDAVIT OF THOMAS M. IMHOFF

STATE OF MISSOURI

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) ss

COUNTY OF COLE

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Thomas M. Imhoff, 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.


Thomas M. Imhoff

Subscribed and sworn to before me this 5th day of November, 2009.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public