

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

In the Matter of Laclede Gas Company,)
Missouri Gas Energy's Purchased Gas)
Adjustment Tariff Filing) File No. GR-2014-0324

**MISSOURI GAS ENERGY'S RESPONSE
TO STAFF RECOMMENDATION**

COMES NOW Missouri Gas Energy ("MGE" or "Company"), an operating unit of Laclede Gas Company ("Laclede"), and submits its Response to Staff's Reply filed in the above captioned matter on July 7, 2016. In support thereof, MGE states as follows:

1. On July 7, 2016, Staff filed its reply to MGE's June 27, 2016 response to a supplemental recommendation made by Staff in this proceeding on June 15, 2016. Based on Staff's reply, it appears that Staff is satisfied with the Company's proposed approach to two of the three issues that were raised in Staff's supplemental recommendation. These include the Company's commitment to: (a) conduct additional training of its gas supply personnel regarding the documentation requirements of the CAM and Standards of Conduct and provide Staff with a description of those efforts within 30 days of the date of its response; and (b) provide Staff with documentation of its efforts to re-examine its internal controls for ensuring compliance with these documentation requirements and making any adjustments that may be necessary. MGE agrees with Staff that such documentation should be provided to Staff by July 27, 2016.

2. In its reply, however, the Staff continued to recommend that an investigation be opened to address certain concerns it has over whether MGE and Laclede Gas have fully complied with what Staff has identified as one provision of the Company's Cost Allocation

Manual and Standards of Conduct. MGE had recommended instead that a joint technical conference be scheduled in this case as well as the current ACA case involving Laclede Gas (Case No. GR-2015-0201) to address these concerns as well as discuss the information provided to Staff on the training and internal control recommendations identified above. MGE continues to believe that since these cases are already open, it would be most efficient to employ them first to see if the concerns raised by Staff can be resolved rather than open an entirely new proceeding as a first resort. MGE understands Staff's point that these two cases cover different ACA periods. But that circumstance hardly precludes a constructive discussion and potential resolution of the issues raised by Staff.

3. Accordingly, MGE would recommend that the Commission begin with the scheduling of a joint technical conference to begin the dialogue on these issues with the understanding that Staff can still request an investigation should that prove necessary after the technical conference. Whether it decides to open an investigation or schedule a joint technical conference, however, MGE continues to recommend that the matters to be addressed include potential revisions to those provisions of the Standards of Conduct that experience has shown may warrant modification.

WHEREFORE, for all of the foregoing reasons, MGE respectfully requests that the Commission accept this response in resolution of the matters raised by Staff in its June 15, 2016 supplemental Recommendation.

Respectfully Submitted,

/s/ Rick Zucker

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the Staff of the Missouri Public Service Commission, and the Office of Public Counsel on this 18th day of July, 2016 by United States mail, hand-delivery, email, or facsimile.

/s/ Marcia Spangler