

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2011-0117, File No. YG-2011-0218, Missouri Gas Utility

FROM: Michael Stahlman, Energy Department – Tariffs/Rate Design

<u>/s/ Michael Stahlman 11/4/10</u> Energy Department/Date	<u>s/ Meghan McClowry 11/4/10</u> Staff Counsel's Office/Date
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SUBJECT: Staff Recommendation on Missouri Gas Utility's Scheduled Winter Season PGA Filing – Proposed Effective Date November 11, 2010

DATE: November 4, 2010

On October 28, 2010, Missouri Gas Utility (MGU or Company) of Littleton, Colorado, filed tariff sheets requesting an effective date of November 11, 2010. 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.

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 \$0.5414 per hundred cubic feet (Ccf), from the current firm PGA factor of \$0.6340 per Ccf. This represents a decrease of \$0.0926 per Ccf for all firm customers.

For MGU's Southern system (serving communities such as Warsaw and Cole Camp), this filing will increase the firm PGA factor for all firm customers for the upcoming heating season to \$0.6059 per Ccf, from the current firm PGA factor of \$0.5666 per Ccf. This represents an increase of \$0.0393 per Ccf for all firm customers.

Case No. GR-2011-0117, under which these changes were consolidated into and filed, was established to track the Company's PGA factors to be reviewed in its 2009-2010 ACA filing. These rate changes should be on an interim, subject to refund status pending a final Commission decision in ACA Case Nos. GR-2011-0117.

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, 2011.

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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

Tenth Revised Sheet No. 51, Cancels Ninth Revised Sheet No. 51

Third Revised Sheet No. 52, Cancels Second Revised Sheet No. 52

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


In the Matter of Missouri Gas Utility's)
Winter Purchased Gas Adjustment Filing)

Case No. GR-2011-0117

AFFIDAVIT OF MICHAEL L. STAHLMAN

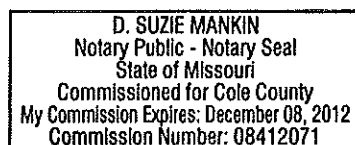
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

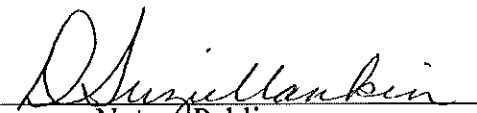
Michael L. Stahlman, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in preparing the accompanying Staff Recommendation in Memorandum form, and that the facts therein are true and correct to the best of his knowledge and belief.



Michael L. Stahlman

Subscribed and sworn to before me this 4th day of November, 2010.





Notary Public