# M E M O R A N D U M

TO:        Missouri Public Service Commission Official Case File,
                Case No. GR-2009-0397 File No. JG-2009-0768
                The Empire District Gas Company

FROM:     Anne Ross, Energy Department – Tariffs/Rate Design

               /s/ Thomas M. Imhoff   05/06/09        /s/ Robert S. Berlin   05/06/09
                 Utility Operations Division/Date       General Counsel's Office/Date

SUBJECT:  Staff Recommendation for The Empire District Gas Company's Optional PGA Filing
                - Effective May 15, 2009

DATE:        May 6, 2009

On May 1, 2009, The Empire District Gas Company (EDG or Empire), filed three (3) tariff sheets with a proposed effective date of May 15, 2009. These tariff sheets were filed to reflect changes in EDG's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming summer season. The summer season includes the months of May through October. EDG requests that the tariff sheets go into effect on May 15, 2009.

For the Empire area served by Southern Star Central Gas Pipeline, including the cities of Clinton, Lexington, Marshall and Sedalia, the effect of this change is to reduce the firm PGA rate filed by Empire from $0.93057 per hundred cubic feet (Ccf) to $0.71688 per Ccf. This is a decrease of $0.21369 per Ccf, or 23%.

For the Empire area served by Panhandle Eastern Pipeline, including the cities of Chillicothe, Marceline and Trenton, the effect of this change is to reduce the firm PGA rate filed by Empire from $0.90358 per Ccf to $0.76146 per Ccf. This is a decrease of $0.14212 per Ccf, or 16%.

For the Empire area served by the ANR pipeline, including the communities of Rockport, Maryville and Tarkio, the effect of this change is to reduce the firm PGA rate filed by Empire from $0.79676 per Ccf to $0.66358 per Ccf. This is a decrease of $0.13318, or 17%.

Case No. GR-2009-0397, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2008-2009 ACA filing. Case No. GR-2008-0368 was established to track Empire's 2007-2008 ACA filing. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2008-0368 and GR-2009-0397.

Staff has verified that this company has filed its annual report. 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 Empire's PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days notice is demonstrated by Empire's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheets be approved, interim subject to refund:

P.S.C. MO. No. 2
4th Revised SHEET No. 62     Cancelling 3rd Revised SHEET No. 62
4th Revised SHEET No. 63     Cancelling 3rd Revised SHEET No. 63
4th Revised SHEET No. 65     Cancelling 3rd Revised SHEET No. 65

# BEFORE THE PUBLIC SERVICE COMMISSION

## OF THE STATE OF MISSOURI

In the Matter of The Empire District Gas )
Company's Purchased Gas Adjustment )     Case No. GR-2009-0397
(PGA) Tariff Filing )

### AFFIDAVIT OF ANNE ROSS

STATE OF MISSOURI    )
                    ) ss
COUNTY OF COLE    )

      Anne Ross, of lawful age, on oath states: that she has 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 given by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.

_____
Anne Ross

Subscribed and sworn to before me this _6th_ day of May, 2009.

_____
Notary Public