

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

In the Matter of Laclede Gas Company's Purchased Gas Adjustment (PGA) Factors to be Audited in its 2004-2005 Actual Cost Adjustment	) ) )	Case No. GR-2005-0203
In the Matter of Laclede Gas Company's Purchased Gas Adjustment for 2005-2006	) )	Case No. GR-2006-0288
In the Matter of Laclede Gas Company's Purchased Gas Adjustment for 2006-2007	) )	Case No. GR-2008-0140
In the Matter of Laclede Gas Company's Purchased Gas Adjustment for 2007-2008	) )	Case No. GR-2008-0387
In the Matter of Laclede Gas Company's Purchased Gas Adjustment for 2008-2009	) )	Case No. GR-2010-0138
In the Matter of Laclede Gas Company's 2009-2010 Actual Cost Adjustment Filing	) )	Case No. GR-2011-0055
In the Matter of Laclede Gas Company's 2010-2011 Actual Cost Adjustment Filing	) )	Case No. GR-2012-0133

**STAFF SUPPLEMENTAL RECOMMENDATION TO ESTABLISH ENDING ACA  
BALANCES AND CLOSE CASES**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and for its *Supplemental Recommendation to Establish Ending ACA Balances and Close Cases*, respectfully states as follows:

1. Each of these seven Actual Cost Adjustment ("ACA") cases has remained open, and the corresponding ACA balances have remained unresolved, due to issues

involving either affiliate transactions; Lange underground storage non-recoverable gas losses; and/or MoGas Pipeline, L.L.C. overcharges.

2. Before closing the cases, all issues needed to be resolved and final ACA balances needed to be established in each case. (*See, i.e., Determination on the Pleadings Respecting Issues Relating to MoGas Pipeline, L.L.C., Ordered Paragraph No. 2, issued on August 14, 2013, in Case Nos. GR-2008-0140, GR-2008-0387, GR-2010-0138, GR-2011-0055, and GR-2012-0133 et al.* “The ACA cases shall remain open until any non-MoGas related issues are resolved and final ACA balances are established in each such case.”)

3. As reflected in the memorandum attached hereto as **Appendix A**, which is incorporated herein by this reference, through a combination of various Commission orders approving stipulations and/or granting a joint motion, these outstanding issues have been resolved for purposes of these cases as discussed in greater detail in the attached **Appendix A**.

4. As also reflected in **Appendix A**, there are no other outstanding issues in any of these seven ACA cases which require Commission resolution. Therefore, Staff recommends the Commission establish the ending ACA balances in each of these ACA cases as set forth in **Appendix A** and close these cases.

**WHEREFORE**, Staff respectfully requests that the Commission issue an order establishing the ending ACA balances for each of these cases as set forth in **Appendix**

A attached hereto and closing each of these ACA cases, and making such further orders as the Commission deems necessary.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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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 all counsel of record this 6<sup>th</sup> day of February 2014.

**/s/ Jeffrey A. Keevil**

**MEMORANDUM**

TO: Missouri Public Service Commission Official Case File  
Case Nos. GR-2005-0203, GR-2006-0288, GR-2008-0140, GR-2008-0387,  
GR-2010-0138, GR-2011-0055, and GR-2012-0133, Laclede Gas Company

FROM: Anne Crowe, Regulatory Auditor – Procurement Analysis

/s/ David M. Sommerer 2/6/14  
Project Coordinator / Date

/s/ Jeff Keevil 2/6/14  
Staff Counsel’s Office / Date

SUBJECT: Staff Supplemental Recommendation in Laclede Gas Company Case Numbers:  
GR-2005-0203, 2004-2005 Actual Cost Adjustment Filing;  
GR-2006-0288, 2005-2006 Actual Cost Adjustment Filing;  
GR-2008-0140, 2006-2007 Actual Cost Adjustment Filing;  
GR-2008-0387, 2007-2008 Actual Cost Adjustment Filing;  
GR-2010-0138, 2008-2009 Actual Cost Adjustment Filing  
GR-2011-0055, 2009-2010 Actual Cost Adjustment Filing  
GR-2012-0133, 2010-2011 Actual Cost Adjustment Filing

DATE: February 6, 2014

**I. STATUS OF ISSUES IN OPEN ACA CASES**

Staff filed its ACA Recommendations in the following Laclede Gas Company (“Laclede” or “Company”) ACA cases on the following dates:

Case No.	Date
GR-2005-0203	12/28/06
GR-2006-0288	12/31/07
GR-2008-0140	12/31/08
GR-2008-0387	12/31/09
GR-2010-0138	12/30/10
GR-2011-0055	11/01/12
GR-2012-0133	12/14/12

Each of these seven ACA cases remained open because of unresolved issues involving affiliate transactions, Lange underground storage non-recoverable gas, and/or MoGas Pipeline (“MoGas”) overcharges. These outstanding issues have been resolved as explained below; therefore, the ACA balances can be established and the cases may be closed.

**Affiliate Transactions**

In each of the ACA cases listed above, the Staff raised concerns regarding affiliate issues and in three cases (Case Nos. GR-2005-0203, GR-2006-0288, and GR-2008-0140) proposed a disallowance for gas supply transactions between Laclede and its unregulated gas marketing

affiliate, Laclede Energy Resources (“LER”). On July 16, 2013, Laclede, Staff, and the Office of the Public Counsel filed a *Unanimous Partial Stipulation And Agreement And Waiver Request And Request For Approval Of Cost Allocation Manual* which, among other things, resolved the affiliate transaction issue(s) in each of the ACA cases listed above and in Case No. GC-2011-0098. The Commission issued an order approving the partial stipulation and agreement on August 14, 2013.

### **Lange Underground Storage Non-Recoverable Gas**

Laclede owns an underground natural gas storage field (“Lange UGS”) in the St. Louis area which experiences some losses of natural gas. In the ACA recommendations for Case Nos. GR-2011-0055 and GR-2012-0133<sup>1</sup>, Staff identified an issue with Laclede’s attempts to recover estimates of Lange UGS non-recoverable gas losses through the PGA/ACA. This issue of Lange UGS non-recoverable gas losses was resolved, for Case Nos. GR-2011-0055 and GR-2012-0133, by the Stipulation and Agreement (“Stipulation”) in Laclede’s most recent general rate case, Case No. GR-2013-0171. The Commission approved the Stipulation by order issued on June 26, 2013.

The Stipulation required Laclede to adjust its ACA balances to remove any underground gas storage losses from the ACA balances in Case Nos. GR-2011-0055, GR-2012-0133, and GR-2013-0253, as well as the ACA balance Laclede would have otherwise filed in its 2012-2013 winter PGA/ACA filing. According to the Stipulation, the adjustments are to return to customers any amounts previously billed to customers for the recovery of underground gas storage losses from November 2009 up to the effective date of Laclede’s 2012-2013 winter PGA/ACA filing. Staff will review Laclede’s underground gas storage loss adjustment for compliance with the Stipulation during the course of the 2012/2013 ACA review (Case No. GR-2014-0121).

### **Refund of Missouri Pipeline Company (“MPC”) Overcharges**

Laclede uses MoGas Pipeline (“MoGas”), formerly known as Missouri Pipeline Company, to transport gas to its customers. In Case No. GC-2006-0491, the Commission determined that MPC had overcharged non-affiliated customers, *i.e.*, that MPC charged Laclede rates that exceeded the lawful maximum rates. Laclede filed a petition in St. Charles County Circuit Court to recover overcharges from MPC. On September 6, 2012, the Circuit Court issued a judgment that found Laclede was entitled to recover from MPC an amount of \$6,638,361 plus interest. On July 15, 2013 Laclede and Ameren Missouri (“Ameren”) filed a Joint Motion requesting the Commission dispose of all MoGas issues with respect to their ACA cases. The Joint Motion stated that Ameren, Laclede, and MoGas had reached a Settlement Agreement and MoGas was required to pay Laclede \$3,676,000 as settlement of Laclede’s overcharge claims. By order issued on August 14, 2013 and effective August 24, 2013, the Commission granted Ameren’s and Laclede’s Motion to resolve all MoGas issues subject to the requirement that, on a going forward basis, Laclede (and Ameren) return the funds to be paid to them by MoGas to their retail

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<sup>1</sup> This issue was also addressed in Staff’s ACA recommendation in Case No. GR-2013-0253, filed on December 13, 2013. By order issued on January 15, 2014, Laclede was ordered to respond to Staff’s recommendation in that case no later than February 14, 2014.

customers through their PGA mechanisms as provided in the Settlement Agreement. The order also stated the ACA cases shall remain open until any non-MoGas related issues are resolved and final ACA balances are established in each such case.

Staff has verified Laclede's receipt of the \$3,676,000 settlement payment, that the payment was included in Laclede's ACA balance and included in the determination of Laclede's ACA factors beginning November 1, 2013. The affiliate transaction issue(s) and Lange UGS non-recoverable gas loss issues have been resolved by stipulations and agreements approved by the Commission as discussed in more detail above. There are no other outstanding issues in any of the Laclede ACA cases listed in the Subject line above which require Commission resolution. Therefore, Staff recommends the Commission establish the ending ACA balances in each of these ACA cases as set forth below and close the following cases.

## II. RECOMMENDATION

Staff recommends the Commission issue an order establishing the ending ACA balances for each of the following cases as set forth below and closing each of the ACA cases:

*An over-recovery is the amount owed to the customers by the Company and is shown in the tables as a negative number. An under-recovery is an amount owed to the Company by the customers and is shown in the tables as a positive number.*

### Case No. GR-2005-0203, ACA Balances as of September 30, 2005

September 30, 2005	Firm Sales non-LVTSS	Firm Sales LVTSS	Interruptible Sales	LP Sales	Firm Transportation	Vehicular Fuel	Basic Transport-Firm Sales prior 11/15/89	Basic Transport-All Other
Ending ACA Balance	\$ 26,855,658	\$ 956,225	\$ 114,609	\$ 4,055	\$ 921,984	\$ 19,612	\$ 99,824	\$ 5,308

### Case No. GR-2006-0288, ACA Balances as of September 30, 2006

September 30, 2006	Firm Sales non-LVTSS	Firm Sales LVTSS	Interruptible Sales	LP Sales	Firm Transportation	Vehicular Fuel	Basic Transport-Firm Sales prior 11/15/89	Basic Transport-All Other
Ending ACA Balance	\$ 38,941,232	\$ 721,415	\$ (124,748)	\$ (8,721)	\$ 954,361	\$ 19,410	\$ (12,608)	\$ (608)

**Case No. GR-2008-0140, ACA Balances as of September 30, 2007**

September 30, 2007	Firm Sales non-LVTSS	Firm Sales LVTSS	Interruptible Sales	LP Sales	Firm Transportation	Vehicular Fuel	Basic Transport-Firm Sales prior 11/15/89	Basic Transport-All Other
Ending ACA Balance	\$ 7,464,732	\$ 660,456	\$ (207,514)	\$ 1,605	\$ 386,090	\$ 38,043	\$ 14,401	\$ 785

**Case No. GR-2008-0387, ACA Balances as of September 30, 2008**

September 30, 2008	Firm Sales non-LVTSS	Firm Sales LVTSS	Interruptible Sales	LP Sales	Firm Transportation	Vehicular Fuel	Basic Transport-Firm Sales prior 11/15/89	Basic Transport-All Other
Ending ACA Balance	\$31,558,923	\$ 91,133	\$ 439,938	\$ 27,666	\$ 261,889	\$ 21,396	\$ 83,933	\$ (90,191)

**Case No. GR-2010-0138, ACA Balances as of September 30, 2009**

September 30, 2009	Firm Sales non-LVTSS	Firm Sales LVTSS	Interruptible Sales	LP Sales	Firm Transportation	Vehicular Fuel	Basic Transport - Firm Sales prior 11/15/89	Basic Transport-All Other
Ending ACA Balance	\$ (6,713,702)	\$ 275,520	\$ (446,679)	\$ (26,248)	\$ (120,285)	\$ 25,553	\$ 133,688	\$ (144,718)

**Case No. GR-2011-0055, ACA Balances as of September 30, 2010**

September 30, 2010	Firm Sales non-LVTSS	Firm Sales LVTSS	Interruptible Sales	LP Sales	Firm Transportation	Vehicular Fuel	Basic Transport-Firm Sales prior 11/15/89	Basic Transport-All Other
Ending ACA Balance	\$ 24,279,612	\$ (59,579)	\$ 293,283	\$ 904	\$ 1,273	\$ (6,201)	\$ (62,860)	\$ 18,654

**Case No. GR-2012-0133, ACA Balances as of September 30, 2011**

September 30, 2011	Firm Sales non-LVTSS	Firm Sales LVTSS	Interruptible Sales	LP Sales	Firm Transportation	Vehicular Fuel	Basic Transport-Firm Sales prior 11/15/89	Basic Transport-All Other
Ending ACA Balance	\$ 22,818,995	\$ 84,483	\$ 223,930	\$ 11,267	\$ 13,029	\$ 28,943	\$ 42,725	\$ (50,316)

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In the Matter of Laclede Gas Company's Purchased Gas Adjustment for 2008-2009	)	)	Case No. GR-2010-0138
In the Matter of Laclede Gas Company's 2009-2010 Actual Cost Adjustment Filing	)	)	Case No. GR-2011-0055
In the Matter of The Laclede Gas Company's 2010-2011 Actual Cost Adjustment Filing	)	)	Case No. GR-2012-0133

AFFIDAVIT OF ANNE M. CROWE

STATE OF MISSOURI            )  
   )  
 COUNTY OF COLE             )            ss.

Anne M. Crowe, being of lawful age, on her oath states: that as a Utility Regulatory Auditor IV in the Procurement Analysis Unit of the Utility Services Department, she has participated in the preparation of the foregoing memorandum consisting of 4 pages to be presented in the above case; that she has knowledge of the matters set forth in the Memorandum and that such matters are true and correct to the best of her knowledge and belief,

*Anne M. Crowe*  
 \_\_\_\_\_  
 Anne M. Crowe

Subscribed and sworn to before me this 6<sup>th</sup> day of February 2014.

**D. SUZIE MANKIN**  
 Notary Public - Notary Seal  
 State of Missouri  
 Commissioned for Cole County  
 My Commission Expires: December 12, 2016  
 Commission Number: 12412070

*D. Suzie Mankin*  
 \_\_\_\_\_  
 Notary Public