

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2009-0397, File No. YG-2010-0315
The Empire District Gas Company

FROM: Henry E. Warren, Energy Department – Tariffs/Rate Design

HEW

/s/ Thomas M. Imhoff 11/05/09
Utility Operations Division/Date

/s/ Robert S. Berlin 11/05/09
General Counsel's Office/Date

SUBJECT: Staff Recommendation for The Empire District Gas Company's
Winter Season PGA Filing - Effective November 13, 2009

DATE: November 5, 2009

On October 30, 2009, The Empire District Gas Company (Empire or Company), of Joplin, Missouri, filed three (3) tariff sheets having an effective date of November 13, 2009. These tariff sheets were filed to reflect changes in Empire's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas (Regular PGA or RPGA) and changes in the Actual Cost Adjustment (ACA) factor for the upcoming heating season (November 2009 – March 2010).

For the South System served by Southern Star Central Gas Pipeline, including the cities of Clinton, Lexington, Marshall and Sedalia, this filing will decrease the firm PGA factor for Residential, Small Commercial, and Small Volume customers for the upcoming heating season, to \$0.75228 per one-hundred cubic feet (Ccf), from the current firm PGA factor of \$0.76489 per Ccf. This represents a decrease of \$0.01261 per Ccf for all customer classes except Large Volume Interruptible (LVI) and transportation.

For the North System served by Panhandle Eastern Pipeline, including the cities of Chillicothe, Marceline and Trenton, this filing will decrease the firm PGA factor for Residential, Small Commercial, and Small Volume customers for the upcoming heating season, to \$0.57689 per one-hundred cubic feet (Ccf), from the current firm PGA factor of \$0.79004 per Ccf. This represents a decrease of \$0.21315 per Ccf for all customer classes except Large Volume Interruptible (LVI) and transportation.

For the NW System served by the ANR pipeline, including the communities of Rockport, Maryville and Tarkio, this filing will decrease the firm PGA factor for Residential, Small Commercial, and Small Volume customers for the upcoming heating season, to \$0.48011 per one-hundred cubic feet (Ccf), from the current firm PGA factor of \$0.733233 per Ccf. This represents a decrease of \$0.25312 per Ccf for all customer classes except Large Volume Interruptible (LVI) and transportation.

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 the Company's PGA factors to be reviewed in its 2007-2008 ACA filing. This

rate change should be on an interim basis, subject to refund status pending a final Commission decision in ACA Case Nos. GR-2008-0368 and GR-2009-0397.

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 2008 annual report and is current on its 2009 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 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

5 th Revised SHEET No. 62	Cancelling 4 th Revised SHEET No. 62
5 th Revised SHEET No. 63	Cancelling 4 th Revised SHEET No. 63
5 th Revised SHEET No. 65	Cancelling 4 th 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)	GR-2009-0397
(PGA) Tariff Filing.)	

AFFIDAVIT OF HENRY E. WARREN

STATE OF MISSOURI)	
) ss	
COUNTY OF COLE)	

Henry E. Warren, 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.


Henry E. Warren

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