

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2012-0115, File No. YG-2012-0158, Missouri Gas Utility

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

/s/ Thomas M. Imhoff 10/21/11
Energy Department/Date

/s/ Robert S. Berlin 10/21/11
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation on Missouri Gas Utility's Scheduled Winter Season PGA
Filing – Proposed Effective Date November 1, 2011

DATE: October 21, 2011

On October 14, 2011, Missouri Gas Utility (MGU or Company) of Littleton, Colorado, filed tariff sheets requesting an effective date of November 1, 2011. 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. On October 20, 2011, MGU filed a substitute tariff sheet to correct the PGA rate for a miscalculation. The winter season includes the months of November through March.

For MGU's northern system (serving communities of Hamilton, Gallatin and Coffey plus the adjacent certificated service areas), this filing will decrease the firm PGA factor for all firm customers for the upcoming heating season to \$0.4989 per hundred cubic feet (Ccf), from the current firm PGA factor of \$0.5414 per Ccf. This represents a decrease of \$0.0425 per Ccf for all firm customers.

For MGU's southern system (serving communities such as Warsaw and Cole Camp), this filing will decrease the firm PGA factor for all firm customers for the upcoming heating season to \$0.5364Ccf), from the current firm PGA factor of \$0.6059 per Ccf. This represents a decrease of \$0.0695 per Ccf for all firm customers.

Case No. GR-2012-0115, under which these changes were consolidated into and filed, was established to track the Company's PGA factors to be reviewed in its 2010-2011 ACA filing. These rate changes should be made on an interim, subject to refund status - pending a final Commission decision in ACA Case No. GR-2012-0115

Appendix A

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Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Unit (PAU) 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, 2012.

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 concluded 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 sheets as filed on October 14, 2011, and substituted on October 20, 2011, be approved, interim subject to refund:

P.S.C. MO. No.1

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

Fifth Revised Sheet No. 52, Cancels Fourth Revised Sheet No. 52

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

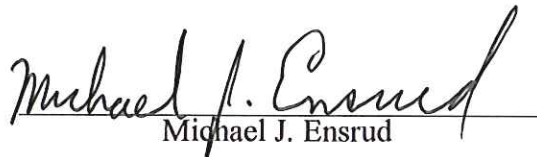
In the Matter of Missouri Gas Utility's)
Purchased Gas Adjustment)

Case No. GR-2012-0115

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Michael J. Ensrud, 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.


Michael J. Ensrud

Subscribed and sworn to before me this 21st day of October, 2011.




Notary Public