

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2012-0262, File No. YG-2013-0192  
Missouri Gas Energy

FROM: Kim Cox, Energy Unit – Tariffs/Rate Design

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| <u>/s/ Thomas M. Imhoff    10/25/12</u><br>Regulatory Review Division/Date | <u>/s/ Robert S. Berlin    10/25/12</u><br>Staff Counsel's Office/Date |
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SUBJECT: Staff Recommendation for Missouri Gas Energy's Winter Season PGA Filing  
Effective November 1, 2012

DATE: October 25, 2012

On October 17, 2012, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri, filed a tariff sheet bearing an effective date of November 1, 2012. This tariff sheet was filed to reflect changes in MGE's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming winter heating season and changes in the Actual Cost Adjustment (ACA) factor. The winter season includes the months of November through March.

This filing will increase the firm PGA factor for the upcoming 2012 - 2013 winter season, to \$.60470 per one-hundred cubic feet (Ccf), from the current PGA factor of \$.52744 per Ccf. This represents an increase of \$.07726 per Ccf.

Case No. GR-2012-0262, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2011-2012 ACA filing. Case No. GR-2011-0290 was established to track the Company's PGA factors to be reviewed in its 2010-2011 ACA filing. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2012-0262 and GR-2011-0290.

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 20, 2013.

Staff has verified that this company has filed its annual report and is not delinquent on any of its 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 MGE'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 MGE'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 17, 2011 be approved, interim subject to refund:

P.S.C. MO. No.1

Twenty-Seventh Revised SHEET No. 24.3, Canceling Twenty-Sixth Revised SHEET No. 24.3

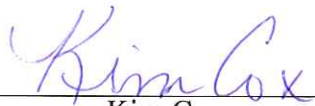
**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

|  |   |                       |
|--|---|-----------------------|
| In the Matter of Missouri Gas Energy's | ) | File No. GR-2012-0262 |
| Optional Purchased Gas Adjustment      | ) | YG-2013-0192          |
| Filing                                 | ) |                       |

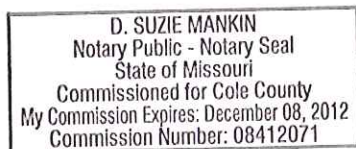
**AFFIDAVIT OF KIM COX**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

Kim Cox, 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.

  
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Kim Cox

Subscribed and sworn to before me this 25<sup>th</sup> day of October, 2012.



  
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Notary Public