

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

In the Matter of Missouri Gas Energy's)	
Tariff Sheets Designed to Increase Rates)	
for Gas Service in the Company's)	Case No. GR-2009-0355
Missouri Service Area.)	

**PUBLIC COUNSEL'S
CUSTOMER NOTICE RECOMMENDATION**

COMES NOW the Missouri Office of the Public Counsel and offers the following customer notice recommendation:

1. The Commission's April 6, 2009, *Suspension Order and Notice* directs Public Counsel to file a proposed customer notice no later than June 4, 2009. Public Counsel proposes that the Commission adopt the attached customer notice. The proposed notice includes a brief explanation of the MGE rate increase request, the times and locations for local public hearings, and an explanation as to how customers may submit comments, including a mail-in comment form. The notice is designed to be tri-folded and included in the envelope with a customer's MGE bill. The notice will need to be printed on paper of sufficient thickness so that the mail-in comment cards are consistent with the mailing requirement of the United States Postal Service.

2. The proposed notice would also include the average bill change percentage, the average dollar impact, and the range of dollar impacts for each rate class. This information will hopefully aid customers in accurately determining the impact on their bill, including customers with below average and above average usage.

3. On May 19, 2009, Public Counsel sent a data request to MGE asking for the range of customer impacts for each class. On May 27, 2009, MGE notified Public Counsel that MGE would need an additional 20 days beyond the June 8, 2009 due date to respond to Public Counsel's data request. Public Counsel expects the information will be available no later than June 29, 2009.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission adopt Public Counsel's proposed customer notice.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston
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(573) 751-5562 FAX
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 4th day of June 2009:

General Counsel Office
Missouri Public Service
Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
GenCounsel@psc.mo.gov

Swearengen C James
Missouri Gas Energy
312 East Capitol Avenue
P.O. Box 456
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LRackers@brydonlaw.com

Shemwell Lera
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312 East Capitol
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Jefferson City, MO 65102
dcooper@brydonlaw.com

/s/ Marc Poston



**NOTICE OF REQUEST FOR RATE INCREASE
NOTICE OF PUBLIC HEARING
REQUEST FOR PUBLIC COMMENT**

In April 2009, Missouri Gas Energy (MGE) requested approval from the Missouri Public Service Commission (PSC) of a \$32.4 million annual natural gas rate increase. The PSC seeks comments from MGE’s customers on MGE’s proposal.

The proposed monthly increase would take effect in February 2010 and would impact customer bills as shown below.

Customer Class of Service	Average Total Bill Increase	Range of Monthly Impacts	Average Monthly Impact
Residential	6.8%	N/A	\$5.21
Small General	3.3%	-	\$4.06
Large General	1.3%	-	\$20.15
Large Volume	6.6%	-	\$173.04

MGE proposes to continue the rate design for Residential customers approved by the PSC in 2006 that recovers all of MGE’s distribution costs in a single fixed rate. MGE incurs distribution costs to maintain and operate its gas distribution system (distribution costs do not include the cost consumers pay for natural gas).

MGE also proposes to change the Small General Service (SGS) rates to recover all distribution costs in a single fixed rate, rather than the current rate design that recovers distribution costs through a two-part rate (a usage-sensitive rate and a fixed rate). This change will increase the portion of distribution costs paid by low-volume SGS customers and decrease the portion paid by high-volume SGS customers. MGE also proposes to move SGS customers using more than 10,000 Ccf in 2008 into the Large General Service class.

MGE also proposes to increase miscellaneous charge as follows:

Charge	Current	Proposed
Collection/Disconnection	\$8.00	\$20.00
Transfer Service Charge	\$6.50	\$15.00
Reconnection Charges	\$45.00	\$65.00

Cut along the dotted line, fold, tape and mail.



Cut along the dotted line, fold, tape and mail.

Fold here

Place stamp here

Attention: Consumer Services Department
Missouri Public Service Commission
PO Box 360
Jefferson City, Missouri 65102

**NOTICE OF REQUEST FOR RATE INCREASE
NOTICE OF PUBLIC HEARING
REQUEST FOR PUBLIC COMMENT**

The PSC seeks input from MGE's customers on MGE's proposal and will hold local public hearings to receive customer comments. Public hearings will be held at the following locations and times:

Missouri Southern State University
3950 E. Newman Road, Joplin, MO 64801
August 31, 2009, 6:00 p.m.

University of Central Missouri
601 Missouri, Warrensburg, MO 64093
September 1, 2009, 6:00 p.m.

Missouri Western University
4525 Downs Drive, St. Joseph, MO 64507
September 8, 2009, 6:00 p.m.

Kansas City Public Library
14 West 10th Street, Kansas City, MO 64105
September 9, 2009, 12:00 p.m.

Independence Public Schools
[High School location TBD], Independence, MO
September 9, 2009, 6:00 p.m.

Before taking comments, each public hearing will begin with an informal 30 minute question and answer session to allow customers to ask questions regarding MGE's proposal. Hearings will be held in buildings that meet accessibility standards required by the Americans with Disabilities Act. Any person needing additional accommodations to participate in these hearings may call the Public Service Commission's hotline at 1-800-829-7541 (TDD hotline) prior to the meeting.

Customers may also send written comments using the attached comment form, or by contacting either of the following via mail, telephone, or e-mail:

- The Missouri Public Service Commission by telephone at 1-800-392-4211, by e-mail at pscinfo@psc.mo.gov, or by mail at P.O. Box 360, Jefferson City, Missouri 65102.
- The Office of the Public Counsel (your state-sponsored consumer advocate) at 1-866-922-2959, by e-mail at mopco@ded.mo.gov, or by mail at P.O. Box 2230, Jefferson City, Missouri 65102.

Cut along the dotted line, fold, tape and mail.



Cut along the dotted line, fold, tape and mail.

Customer Comment Card

Missouri Gas Energy Rate Increase Request

Case No. GR-2009-0355

Customer Name _____ Zip Code _____
Street Address _____ City _____

Phone _____ E-mail _____

Comments:

Vertical lines for writing comments.