

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

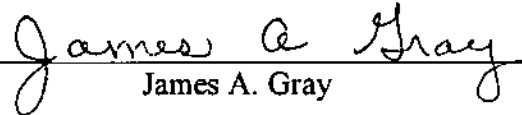
In the Matter of Missouri Gas Energy)
Purchased Gas Adjustment Rate Change.)

Case No. GR-2007-0256

AFFIDAVIT OF JAMES A. GRAY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James A. Gray, 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 given by 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.


James A. Gray

Subscribed and sworn to before me this 8th day of January, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public

My commission expires 9-21-10

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2007-0256, File No. YG-2007-0458
Missouri Gas Energy

FROM: James A. Gray, Energy Department – Tariffs/Rate Design

<u>/s/ Thomas Imhoff 01/08/07</u> Utility Operations Division/Date	<u>/s/ Lera Shemwell 01/08/07</u> General Counsel's Office/Date
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SUBJECT: Staff Recommendation for Missouri Gas Energy's Optional Winter Season PGA Filing - Effective January 18, 2007

DATE: January 8, 2007

On January 3, 2007, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri, filed a tariff sheet having an effective date of January 18, 2007.

On January 5, 2007, MGE filed a substitute tariff sheet to correct a typographical error. 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 remaining winter season

This filing will decrease the firm PGA factor for the remainder of the 2006 - 2007 winter season, to \$.78791 per one-hundred cubic feet (Ccf), from the current PGA factor of \$.88345 per Ccf. This represents a decrease of \$.09554 per Ccf.

Case No. GR-2007-0256, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2006-2007 ACA filing. Case Nos. GR-98-167, GR-99-304, GR-2000-425, GR-2001-382, GR-2002-348, GR-2003-0330, GR-2005-0104, GR-2005-0169, and GR-2006-0291 were established to track the Company's PGA factors to be reviewed in its 1997-1998, 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, and 2005-2006 ACA filings, respectively. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-98-167, GR-99-304, GR-2000-425, GR-2001-382, GR-2002-348, GR-2003-0330, GR-2005-0104, GR-2005-0169 GR-2006-0291 and GR-2007-0256.

Staff has verified that this company has filed its 2006 annual report and is not delinquent on any of its 2006 assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Staff recommends that the following tariff sheet, filed on January 3, 2007, and as substituted on January 5, 2007, be approved, interim subject to refund:

MO PSC CASE NO. GR-2007-0256, File No. YG-2007-0458
OFFICIAL CASE FILE MEMORANDUM
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P.S.C. MO. No.1

Twelfth Revised SHEET No. 24.3, Canceling Tenth Revised SHEET No. 24.3