

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy)	<u>Case No. GR-2006-0291</u>
Purchased Gas Adjustment Change)	Tariff No. YG-2007-0283

ORDER APPROVING INTERIM RATES

Issue Date: November 2, 2006

Effective Date: November 10, 2006

On October 27, 2006, Missouri Gas Energy (MGE) filed a proposed tariff sheet making changes in MGE's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the 2006-2007 winter season.

The proposed PGA rate of \$0.88345 reflects an increase of \$0.02809 per Ccf over the PGA Rate currently in effect of \$0.85536.

The Commission's Staff filed its Memorandum and Recommendation on November 1, 2006. In its Memorandum and Recommendation, Staff supports the increase of MGE's firm PGA factor from the current PGA level that has been in effect since February 7, 2006, in that the PGA factor is a reduction from last winter's PGA rates. Furthermore, Staff supports Commission approval and incorporation of the rates as expeditiously as possible, in that any rate change at this time is subject to true-up in the ACA process. Staff notes that, because MGE's PGA clause allows for PGA change filings to take affect on ten days' notice, good cause has been shown pursuant to Section 393.140(11), RSMo 2000, to permit the tariff to become effective on less than

30 days' notice. Staff recommends that the rates be immediately approved on an interim basis, subject to refund pending final Commission decisions in ACA Case Nos. GR-2003-0330, GR-2005-0104, and GR-2005-0169.

Staff also recommends the Commission grant the additional relief requested by Staff in the November 1, 2006 Staff Recommendation. Relief requested includes permission of the Commission's Procurement Analysis Department staff to submit results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2007.

The Commission has reviewed the proposed tariff sheet and Staff's Memorandum and Recommendation. The Commission finds that the proposed tariff sheet conforms to the Company's Commission-approved PGA Clause. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes that the proposed tariff sheet should be approved to become effective on November 10, 2006, on an interim basis, subject to refund.

IT IS THEREFORE ORDERED:

1. That the proposed tariff sheet filed on October 27, 2006, by Missouri Gas Energy is approved on an interim basis, subject to refund, pending final Commission decisions in ACA Case Nos. GR-2003-0330, GR-2005-0104, and GR-2005-0169. The specific tariff sheet approved is:

P.S.C. MO. No. 1

11th Revised Sheet No. 24.3, Canceling 10th Revised Sheet No. 24.3

2. The Staff of the Commission shall file its results and recommendations

regarding information included in this ACA filing on or before December 31, 2007.

3. That this order shall become effective on November 10, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(SEAL)

Colleen M. Dale, Chief Regulatory Law Judge,
by delegation of authority under
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 2nd day of November, 2006.