

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

In the Matter of Missouri Gas Energy                    )  
Purchase Gas Adjustment Change                    )       Case No. GR-2008-0367

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission in response to Missouri Gas Energy's (MGE), a division of Southern Union Company, tariff filing, for its Recommendation Staff states:

1.       On October 17, 2007, Missouri Gas Energy (MGE or Company), a division of Southern Union Company filed a tariff sheet having an effective date of November 1, 2008.
2.       This proposed tariff sheet changes MGE's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming winter season.
3.       This filing will decrease the firm PGA factor for the upcoming 2008 - 2009 winter season, to \$0.94501 per one-hundred cubic feet (Ccf), from the current PGA factor of \$1.04107 per Ccf, which was implemented in MGE's June 1, 2008 PGA filing.
4.       Compared to the Company's winter PGA rate for the 2007-2008 winter heating season, which was \$0.82121, this filing represents an increase of \$0.1238.
5.       This rate change should be on an interim, subject to refund status pending a final Commission decision in ACA Case Nos. GR-2007-0256 and GR-2008-0367.
6.       Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) 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, 2009.

7. Staff has verified that this company has filed its 2007 annual report, however, **it is delinquent** on its second 2008 assessment.

WHEREFORE Staff recommends that the proposed tariff sheet be approved, interim subject to refund with a November 1, 2008 effective date.

Respectfully submitted,

/s/ Lera L. Shemwell  
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Deputy General Counsel  
Missouri Bar No. 43792

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## **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed, sent by facsimile or hand-delivered to all counsel of record this 21st day of October 2008.

/s/ Lera L. Shemwell