

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 19th day
of January, 2011.

In the Matter of Missouri Gas Energy's)
2008-2009 Actual Cost Adjustment) **File No. GR-2009-0268**

ORDER ESTABLISHING ACA BALANCE AND CLOSING CASE

Issue Date: January 19, 2011

Effective Date: January 29, 2011

On December 13, 2010, the Staff of the Commission filed its recommendation for the 2008-2009 Actual Cost Adjustment (ACA) for Missouri Gas Energy, a Division of Southern Union Company. Staff reviewed and evaluated of MGE's billed revenues and actual gas costs for period of July 1, 2008, to June 30, 2009, as well as MGE's purchasing and operating decisions. Staff also conducted a reliability analysis of estimated peak day requirements and reviewed MGE's hedging for the period. Staff proposes no dollar adjustments to MGE's filed June 30, 2009 ACA account balances, but does make recommendations regarding MGE's gas purchasing practices.

ACA and Refund Account Balances

MGE and Staff's recommended ACA and refund account balances are as follows:

Account	6-30-09 Ending Balances per MGE Filing	Current ACA Staff Adjustments	6-30-09 Staff Recommended Ending Balances
ACA Balance	\$4,726,867.50	\$ 0	\$4,726,867.50
Large Volume Refund	\$ (527,232.53)	\$ 0	\$ (527,232.53)

An over-recovery reflects the amount owed to the customer by the company and is shown as a negative number.

An under-recovery reflects an amount owed to the company by the customers and is shown as a positive number.

On January 12, 2011, MGE responded to Staff's recommendations. MGE notes that Staff does not recommend any monetary disallowances or allege any imprudence, and states that it does not believe there are any issues that would require resolution by the Commission. MGE responded to Staff's comments contained in the Reliability Analysis and Gas Supply and Planning Improvement section of the Recommendation.

Decision

After reviewing Staff's recommendation and MGE's response, the Commission concludes that it will establish the ACA account balance as filed by MGE and recommended by Staff.

THE COMMISSION ORDERS THAT:

1. Missouri Gas Energy, a Division of Southern Union Company, shall establish the following ACA account balance in its next ACA filing:

Account	6-30-09 Ending Balances per MGE Filing	Current ACA Staff Adjustments	6-30-09 Staff Recommended Ending Balances
ACA Balance	\$4,726,867.50	\$ 0	\$4,726,867.50
Large Volume Refund	\$ (527,232.53)	\$ 0	\$ (527,232.53)

2. This order shall become effective on January 29, 2011.

3. This case may close on January 30, 2011.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Davis, Jarrett,
Gunn, and Kenney, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge