

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

In the matter of the application of Missouri Gas)
Energy, a division of Southern Union Company,) Case No. GO-2004-0242
for approval to establish an infrastructure system)
replacement surcharge.)

MISSOURI GAS ENERGY'S RESPONSE TO THE STAFF'S REPORT

COMES NOW Missouri Gas Energy ("MGE"), a division of Southern Union Company, by and through counsel, and in compliance with the Commission's Order Adopting Procedural Schedule respectfully states the following as its response to the Staff's Report:

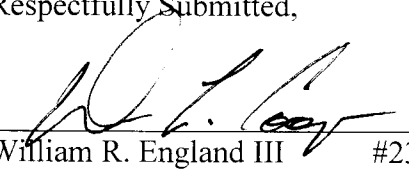
1. MGE hereby states that it accepts the recommendations made by the Staff on page 5 of the Staff's Report filed herein on or about January 29, 2004.

WHEREFORE, MGE offers this response to the Staff's Report.

Respectfully Submitted,

/s/ Robert J. Hack

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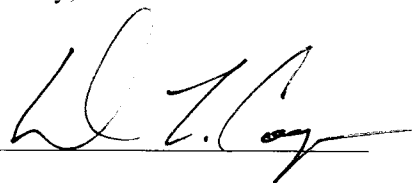
ATTORNEYS FOR MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN
UNION COMPANY

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered on this 3rd day of February, 2004, to:

General Counsel
Missouri Public Service Commission
Governor Office Building
P.O. Box 360
Jefferson City, MO 65102

The Office of the Public Counsel
Governor Office Building, 6th Floor
P.O. Box 7800
Jefferson City, MO 65102-7800

A handwritten signature in black ink, appearing to read "L. T. Co.", is written over a horizontal line.