

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy)
Purchase Gas Adjustment Change) Case No. GR-2006-0291

STAFF RESPONSE

COMES NOW the Staff of the Missouri Public Service Commission in response to Missouri Gas Energy's (MGE), a division of Southern Union Company, Reply to Staff's Response States:

1. Staff agrees with MGE's recommendation that the Commission order MGE to establish Staff's ending balances, recognizing that MGE has already made the appropriate entries on its books to reflect Staff's proposed adjustments and closing this case.

2. Below is the amount of Staff's ending balances:

Account	6-30-06 Ending Balances per MGE Filing	Staff Adjustments	6-30-06 Staff Recommended Ending Balances
ACA Balance	\$(46,864,845.40)	\$ (227,441.38)	\$ (47,092,286.78)
Large Volume Refund	\$ (535,542.52)	\$ 0	\$(535,542.52)

WHEREFORE, the Staff respectfully recommends the Commission issue its order directing MGE to establish Staff's ending balances, recognizing MGE has made the appropriate entries on its books to reflect Staff's adjustments and close this case.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 26th day of February, 2008.

/s/ Lera L. Shemwell