BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of Missouri Gas Energy's) Increasing Rates for Gas Service Provided) To Customers in the Company's Missouri) Service Area)

Case No. GR-2006-0422

STAFF PLEADING REGARDING LOCAL PUBLIC HEARINGS

COMES NOW Staff of the Missouri Public Service Commission (Staff) and respectfully submits as follows:

1. On July 13, 2006, the Commission issued its Order Regarding Procedural Schedule, Test Year and True-Up Hearing. In this Order, the Commission directed the Parties to file a pleading suggesting the locations of the Local Public Hearings and proposed language to constitute notice of such hearings by July 25, 2006.

PROPOSED NOTICE LANGUAGE

2. The Parties were unable to agree on proposed notice language. Staff proposes that language substantially similar to the Notice utilized in MGE's last rate case (GR-2004-0209) be used in this case. (See Commission Order Accepting Proposed Notification Language for Local Public Hearings dated February 3, 2004 in Case No. GR-2004-0209).

3. Staff therefore proposes the following language:

Notice of Local Public Hearings

Missouri Gas Energy (MGE) has filed a natural gas rate case with the Missouri Public Service Commission seeking to increase non-gas cost revenues by approximately \$41.7 million a year. Non-gas costs are generally operating and maintenance costs typically representing 25 percent to 30 percent of a customer's total monthly natural gas bill.

Under the filing, the monthly increase or (decrease) for average customers in each rate class appears below:

Residential	\$ 6.52per month
Small General Service	\$ 8.81 per month
Large General Service	NO CHANGE per month
Large Volume Service	NO CHANGE per month

This case does not involve the gas cost portion of your monthly bill. MGE can make up to three filings a year to adjust, either up or down, natural gas rates to reflect changes from wholesale suppliers. <u>The</u> <u>Public Service Commission does not regulate wholesale supplier rates.</u>

The Public Service Commission has set local public hearings to receive customer comments on MGE's rate case. Hearings will commence at the locations and times indicated.

Public Hearing locations and times to be inserted.

If you wish to comment or secure additional information, you may MGE at 816-360-5980, or by e-mailing contact us at MGErates@MGEmail.com. You also may contact the Office of the Public Counsel at 573-751-4857, or by e-mail at www.mo-opc.org or mopco@ded.mo.gov. Hearings will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. Any person needing additional accommodations to participate in these hearings may call the Public Service Commission's hotline at 1-800-392-4211 (Customer Services Hotline) or 1-800-829-7541 (TDD hotline) prior to the meeting.

Rates from this case are not expected to take effect until March 2006.

NUMBER OF PUBLIC HEARINGS

3. Staff suggests public hearings be held in Kansas City, Blue Springs, Joplin and St. Joseph. This is consistent with what has been done in past cases. Staff believes

that some other Parties may have differing views on the number and location of public hearings.

WHEREFORE, Staff respectfully submits Staff's Pleading Regarding the wording for Customer Notices and Local Public Hearings.

Respectfully submitted,

/s/ Robert V. Franson

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or emailed to all counsel of record this 25th day of July 2006.

/s/ Robert V. Franson