

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

In the Matter of Staff's Recommendation)	
In Missouri Gas Energy's 2004-2005)	Case No. GR-2005-0169
Actual Cost Adjustment for the 2004-2005)	
season.)	

STAFF'S RECOMMENDATION IN THIS CASE

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and files its Recommendation in this case.

1. On October 18, 2005, Missouri Gas Energy (MGE or Company) filed proposed tariff sheets to make scheduled changes in its Purchased Gas Adjustment (PGA) factors as the result of an estimated change in the cost of natural gas for the upcoming winter season.

2. This tariff sheet also contains the Company's recalculation of its Actual Cost Adjustment (ACA) factor and MGE's Refund factor for the prior period.

3. Staff has reviewed this filing and, as a result, proposes two adjustments.

4. Staff requests the Commission accept Staff's Memorandum and order MGE to respond within thirty (30) days.

WHEREFORE, the Staff requests the Commission accept Staff's memorandum, which is filed in Public and Highly Confidential versions, and order MGE to respond within thirty days.

Respectfully submitted,

/s/ Lera L. Shemwell

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 4th day of January 2007.

/s/ Lera L. Shemwell
