

**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 RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission in the above-captioned matter and, files its Recommendation in this case.

1. On January 6, 2006, Missouri Gas Energy (MGE) filed a tariff sheet to change its PGA factor effective January 20, 2006.
2. The tariff sheet was filed to reflect a reduction in MGE's cost of natural gas since the Company's winter rates took effect in November 2005. The decrease is \$0.22946 per Ccf over the current rate of \$1.16771, primarily due to the recent drop in wholesale natural gas prices.
3. The Commission's Energy Department Staff (Staff) has reviewed this filing and recommends that the Commission approve the rates on the proposed tariff sheets. See Staff's Recommendation attached to this pleading.
4. Good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by the need to assist Missouri consumers by promptly implementing a decrease in natural gas rates. MGE has indicated its willingness, upon Commission approval, to implement the lower rates on Wednesday, January 11, 2006.
5. Staff is recommending prompt approval of these rates on an interim subject to refund basis only, pending evaluation of the prudence of MGE's gas purchases for its customers.

WHEREFORE, the Staff recommends that the Commission approve the Company's requested tariff change to lower its PGA rate be effective on January 11, 2006, interim, subject to refund only.

Respectfully submitted,

/s/ Lera L. Shemwell
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed, sent by facsimile or hand-delivered to all counsel of record this 9th day of January 2006.

/s/ Lera L. Shemwell
