

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

In the Matter of Missouri Gas Energy's       )  
2008-2009 Actual Cost Adjustment.        )

**Case No. GR-2009-0268**

**STAFF RECOMMENDATION REGARDING MISSOURI GAS ENERGY'S  
ACTUAL COST ADJUSTMENT**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff) and for its Recommendation, and in support thereof, states as follows:

1. Staff has reviewed Missouri Gas Energy's (MGE or Company) October 15, 2009 Actual Cost Adjustment (ACA) filing for the 2008-2009 period.

2. Staff's analysis consisted of a review and evaluation of the Company's billed revenues and actual gas costs for the period of July 1, 2008, to June 30, 2009. Staff also reviewed MGE's gas purchasing practices to determine the prudence of the Company's purchasing and operating decisions. Staff also conducted a reliability analysis of estimated peak day requirements and reviewed MGE's hedging for the period to determine the reasonableness of the Company's hedging plans.

3. Staff's Memorandum, filed in both Highly Confidential (HC) and public versions, is attached as Appendix A and incorporated herein by reference. Staff's Memorandum contains a detailed explanation of Staff's concerns and concludes with recommendations.

**WHEREFORE**, for the reasons explained in Staff's Memorandum, the Staff prays the Commission issue an order directing MGE to comply with Staff's recommendations found on page 7 of Staff's Memorandum.

Respectfully submitted,

**/s/Robert S. Berlin**

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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 13<sup>th</sup> day of December 2010.

**/s/ Robert S. Berlin**