

**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
YG-2009-0713

STAFF RECOMMENDATION

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

1. On April 2, 2009, Missouri Gas Energy, a division of Southern Union Company, (MGE or Company) filed a proposed tariff sheet bearing an effective date of April 17, 2009. This tariff sheet was filed to reflect a change in MGE's Purchased Gas Adjustment (PGA) factor as a result of estimated changes in the cost of natural gas for the 2009 summer season. The above-captioned case was established to track the company's PGA factors to be reviewed in its 2008-2009 Actual Cost Adjustment (ACA) filing. Case No's. GR-2007-0256 and GR-2008-0367 were established to track the Company's PGA factors to be reviewed in its 2006-2007 and 2007-2008 ACA filings, respectively.

2. This optional PGA filing by MGE will decrease the firm PGA factor for the 2009 summer season to \$0.54190 per one-hundred cubic feet (Ccf) from the current PGA factor of \$.77358 per Ccf, representing a decrease of \$.23168 per Ccf.

3. For reasons explained in Staff's Memorandum, attached hereto as Appendix A and incorporated herein by reference, the PGA factor rate change should be approved on an interim, subject to refund status, pending final Commission decisions in ACA Case Nos. GR-2007-0256, GR-2008-0367 and GR-2009-0268.

WHEREFORE, for the reasons stated in Staff's Memorandum, the Staff respectfully requests that the Commission issue an order approving MGE's tariff in file no. YG-2009-0713, on an interim subject to refund basis.

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 9th day of April 2009.

/s/ Robert S. Berlin