

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 4<sup>th</sup> day of  
March, 2008.

In the Matter of Missouri Gas Energy Purchased     )  
Gas Adjustment Change                                     )     **Case No. GR-2006-0291**

**ORDER ESTABLISHING ENDING  
ACA BALANCE AND CLOSING CASE**

Issue Date: March 4, 2008

Effective Date: March 14, 2008

This case was opened on October 27, 2006, to receive the 2005-2006 Actual Cost Adjustment (ACA) filing of Missouri Gas Energy, a division of Southern Union Company. On December 31, 2007, the Staff of the Missouri Public Service Commission filed a recommendation. Staff's recommendation indicated that Staff has completed an audit of billed revenues and actual gas costs included in MGE's computation of its ACA balances for the period from July 1, 2005 to June 30, 2006.

Staff also conducted a prudence review regarding MGE's gas purchasing practices, a hedging review to determine the reasonableness of MGE's hedging plans for this ACA period. Finally, Staff conducted a reliability analysis of the MGE's estimated peak day requirements and capacity levels to meet those requirements, and a review of normal, warm, and cold weather requirements.

MGE responded to Staff's recommendation by stating that there are no issues presented that require resolution by the Commission. After Staff and MGE traded responses, Staff filed a response on February 26, 2008. It stated that Staff agrees with

MGE's recommendation that the Commission order MGE to establish Staff's ending balances, recognizing that MGE has already made the appropriate entries on its books to reflect Staf's proposed adjustments, and close the case.

After reviewing MGE's and Staff's pleadings, the Commission concludes that the (over)/under-recovery balances as set out in Staff's Response, filed February 26, 2008, should be accepted as a resolution of MGE's 2005-2006 ACA audit.

**IT IS ORDERED THAT:**

1. The ending (over)/under-recovery balances for Missouri Gas Energy, a division of Southern Union Company, 2005-2006 Actual Cost Adjustment are established as provided in the following table:

<b>Account</b>	<b>6-30-06 Ending Balances Per Filing</b>	<b>Staff Adjustments</b>	<b>6-30-06 Staff Recommended Ending Balances</b>
ACA Balance	\$(46,864,845.40)	\$(227,441.38)	\$(47,092,286.78)
Large Volume Refund	\$(535,542.52)	\$0	\$(535,542.52)

2. This order recognizes that Missouri Gas Energy, a division of Southern Union Company, has already made the appropriate entries on its books to reflect Staff's adjustments.

3. This order shall become effective on March 14, 2008.
4. This case shall be closed on March 15, 2008.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is positioned above the printed name.

Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, Clayton,  
Appling, and Jarrett, CC., concur.

Pridgin, Senior Regulatory Law Judge