

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

In the matter of the application of)
Missouri Gas Energy, a division of)
Southern Union Company, for approval to)
change its infrastructure system)
replacement surcharge.)

Case No. GO-2008-0113

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its Recommendation in this case states as follows:

1. On January 8, 2008, Missouri Gas Energy (MGE), a division of Southern Union Company, filed a tariff sheet with the Missouri Public Service Commission (Commission) to change its Infrastructure System Replacement Surcharge (ISRS) along with a Motion For Expedited Treatment requesting a tariff effective date of January 23, 2008.

2. On January 9, 2008, the Commission issued Order Directing Staff To File Recommendation no later than January 15, 2008. Attached is Staff's recommendation.

3. This tariff sheet contains MGE's ISRS designed to recover annual pre-tax revenue of \$1,339,878.

WHEREFORE, the Staff recommends approval of the tariff sheets with an effective date of January 23 as requested by the Company.

Respectfully submitted,

/s/ Lera L. Shemwell
Lera L. Shemwell
Deputy General Counsel
Missouri Bar No. 43792

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7431
(573) 751-9285 (Fax)
lera.shemwell@psc.mo.gov

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 11th day of January, 2008.

/s/ Lera L. Shemwell