

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

In the matter of Missouri Gas Energy's)
Purchased Gas Cost Adjustment (PGA))
Factors to be Audited in its 2003-)
2004 Actual Cost Adjustment.)

Case No. GR-2005-0104

**MISSOURI GAS ENERGY'S RESPONSE
TO ORDER DIRECTING PARTIES**

Comes now Southern Union Company, through its Missouri Gas Energy ("MGE") division, and for its response to the "Order Directing Parties to Indicate Whether Any Issues Remain to be Resolved" issued on October 19, 2007, respectfully states the following:

1. On October 19, 2007, the Commission issued the above-mentioned order in the case representing MGE's Actual Cost Adjustment (ACA) filing covering the period of July 1, 2003 through June 30, 2004. The Commission directed parties to respond by November 2, 2007.

2. The Commission's order correctly notes that Staff's recommendation contained two issues regarding monetary disallowances. MGE understands that Staff will file a response indicating it is withdrawing both issues. MGE concurs with that result. MGE also concurs with the Commission's observation in the order that since Staff's recommendations on these two issues have been rejected in other proceedings, no issues remain for resolution in this case. Therefore, the Commission should issue an order establishing a closing balance reflecting an under-collection of \$4,375,104.61 and closing the case.

WHEREFORE, MGE's response is that the Commission should issue an order establishing the above closing balance and closing this case.

Respectfully submitted,

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was electronically transmitted this 2nd day of November, 2007, to:

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