

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

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

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission in the above-captioned matter and, files its Recommendation in this case.

1. On February 3, 2006, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, filed a tariff sheet having an effective date of February 16, 2006. This tariff sheet was filed to reflect changes in MGE's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the remaining winter season.

2. MGE has also filed an Application for Waiver Concerning Unscheduled PGA Filing (Application). On January 6, 2006, Missouri Gas Energy (MGE) filed a tariff sheet to change its PGA factor effective January 20, 2006.

3. MGE's tariff sheet (P.S.C. No. 1, 5th Revised Sheet No. 15) provides that "The Company shall be allowed to make up to four (4) PGA filings during each calendar year. One such filing will be effective in November of each year, but no more than one PGA filing will be effective in any two consecutive calendar months unless specifically ordered by the Commission."

4. The Staff recommends that the Commission issue its order granting the waiver as in the public interest.

5. The Commission's Energy Department Staff (Staff) has reviewed this filing and recommends that the Commission approve the rates on the proposed tariff sheets. See Staff's Recommendation attached to this pleading.

6. Good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by the need to assist Missouri consumers by promptly implementing a decrease in natural gas rates.

7. Staff is recommending prompt approval of these rates on an interim subject to refund basis only, pending evaluation of the prudence of MGE's gas purchases for its customers.

WHEREFORE, the Staff recommends that the Commission approve the Company's requested tariff change to lower its PGA rate be effective on February 7, 2006, interim, subject to refund only and grant the request for waiver.

Respectfully submitted,

/s/ Lera L. Shemwell
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed, sent by facsimile or hand-delivered to all counsel of record this 6th day of February 2006.

/s/ Lera L. Shemwell
