

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

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| In the Matter of Missouri Gas Energy's) | |
| Proposed Tariff Sheets to Administer Natural) | Case No. GT-2007-0477 |
| Gas Conservation Initiatives) | |

STAFF'S AMENDED RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and respectfully submits as follows:

1. On June 20, 2007, Staff filed its Recommendation in this case. Staff recommended that the tariffs be suspended.
2. On June 21, 2007, MGE filed its Response to Staff's Recommendation.
3. Attached hereto is Staff's Recommendation in this case. Staff recommends that MGE's tariff filing be approved as recommended in the Staff Recommendation based on MGE's June 21, 2007 filing.

WHEREFORE, the Staff recommends that the Commission approve the tariff as recommended in the Staff Recommendation attached hereto.

Respectfully submitted,

/s/ Robert V. Franson

Robert V. Franson
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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 25th day of June 2007.

/s/ Robert V. Franson

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GT-2007-0477, File No. YG-2007-0880 Missouri Gas Energy

FROM: Anne Ross, Energy Department - Tariffs/Rate Design

/s/ Anne Ross 6/25/07 /s/ Robert Franson 6/25/07
Energy Department General Counsel's Office

SUBJECT: Staff Recommendation On Missouri Gas Energy's Tariff Sheets Filed to Comply with the
Commission's Report And Order And Motion For Expedited Treatment

DATE: June 25, 2007

On March 22, 2007, the Missouri Public Service Commission (Commission) issued its Report and Order (Order) in Case No. GR-2006-0422. This Order approved a natural gas general rate increase for certain customers of Missouri Gas Energy (MGE or Company).

MGE filed tariff sheets on June 1, 2007 to comply with the Order. On June 20, 2007, Staff filed a recommendation that MGE's tariff sheets be rejected. In its Response to Staff's Recommendation, filed on June 21, 2007, MGE filed a second set of tariff sheets which Staff believes complies with the March 22, 2007 Commission Order. MGE indicated in its filing that, should the Commission determine that the more limited program was appropriate, the Company would be willing to implement these tariff sheets. This proposal by MGE is found in paragraph 5 of its June 21, 2007 filing and states as follows:

5. If, however, the Commission believes that Staff's proposal should be adopted, MGE wanted to move forward on the limited rebate program as quickly as possible. To that end, the Company has prepared specimen tariff sheets to implement the limited program proposed by Staff, which are attached to the pleading as Appendix A. If these specimen tariff sheets are acceptable, MGE proposes that the Commission order the Company to formally file these tariff sheets, but with an effective date no more than ten days after the filing date.

Staff concurs in this specific request and believes that the tariff sheets filed on June 21, 2007 should be approved. The Commission's Energy Department - Tariffs/Rate Design Staff (Staff) has reviewed each of the tariff sheets, as filed by MGE on June 21, 2007, and is of the opinion that these sheets are in compliance with the Commission's Order. Therefore, Staff recommends that the set of tariff sheets designated P.S.C. MO. No. 1, filed on June 21, 2007, be accepted.

P.S.C. MO. No. 1

Fourth Revised SHEET No. 98, Canceling Third Revised SHEET No. 98

Fourth Revised SHEET No. 99, Canceling Third Revised SHEET No. 99

Fourth Revised SHEET No. 100, Canceling Third Revised SHEET No. 100

The Staff has verified that MGE has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

