

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 6<sup>th</sup> day of May,  
2009.

In the Matter of the Application of Missouri Gas	)	
Energy, a Division of Southern Union Company,	)	<b><u>Case No. GO-2009-0302</u></b>
For Approval to Change its Infrastructure System	)	Tariff No. YG-2009-0604
Replacement Surcharge	)	

**ORDER REJECTING TARIFF BUT AUTHORIZING RECOVERY OF  
MODIFIED ISRS RATES**

Issue Date: May 6, 2009

Effective Date: May 16, 2009

On February 19, 2009, Missouri Gas Energy (MGE), a division of Southern Union Company, filed an application and petition to change its infrastructure system replacement surcharge (ISRS). MGE's request was accompanied by an implementing tariff. The Commission has suspended that tariff until June 19.

In its application, MGE seeks to increase its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements placed in service from June 2008 through January 2009. The specific infrastructure system replacements for which MGE seeks ISRS recognition are set forth in appendices to its application.

Section 393.1015.1(2), RSMo (Supp. 2008), requires the Commission to publish notice of MGE's ISRS filing. Therefore, on February 24, the Commission directed that notice of the filing be mailed to the county commission of the counties served by MGE. It also directed that notice be given to the media serving the area served by MGE and to the

members of the General Assembly representing that area. In addition, the Commission directed notice to each party in MGE's most recent rate case. In the same order, the Commission directed that any person wishing to intervene in this matter file an application to intervene no later than March 16. The Commission did not receive any applications to intervene.

Section 393.1015.2(2), RSMo (Supp. 2008), allows the Staff of the Commission to file a report regarding MGE's ISRS application and tariff no later than 60 days after the application was filed. Staff filed its recommendation on April 20, advising the Commission to reject MGE's implementing tariff as submitted, but to authorize MGE to file a modified tariff. In particular, Staff recommended MGE be allowed to recover an additional \$1,330,304 in ISRS revenues, which is slightly less than the \$1,343,299 that would be recovered under MGE's tariff. The difference results from four small adjustments described in detail by Staff in its recommendation.

The Commission ordered that any party wishing to respond to Staff's recommendation do so no later than May 1. MGE filed a notice on April 21, indicating its agreement with the modifications proposed by Staff. No other party has responded to Staff's recommendation.

Based on MGE's verified application and Staff's recommendation regarding that application, the Commission concludes that MGE shall be allowed to collect ISRS rates in the amount recommended by Staff.

**THE COMMISSION ORDERS THAT:**

1. The tariff sheet filed by Missouri Gas Energy, a division of Southern Union Company, on February 19, 2009, and assigned tariff number YG-2009-0604, is rejected.

2. Missouri Gas Energy, a division of Southern Union Company, is authorized to collect incremental Infrastructure System Replacement Surcharge revenues to increase its annual pre-tax revenues by \$1,330,304 over existing ISRS rates.

3. Missouri Gas Energy, a division of Southern Union Company, is authorized to file a revised tariff to establish an Infrastructure System Replacement Surcharge rate for each customer class as described in Appendix B to Staff's recommendation.

4. This order shall become effective on May 16, 2009.

**BY THE COMMISSION**

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

Colleen M. Dale  
Secretary

( S E A L )

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

Woodruff, Deputy Chief Regulatory Law Judge