

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2009-0268, File No. JG-2009-0519
Missouri Gas Energy

FROM: Thomas M. Imhoff, Energy Department – Tariffs/Rate Design

<u>/s/ Thomas M. Imhoff 01/20/09</u> Utility Operations Division/Date	<u>/s/ Robert S. Berlin 01/20/09</u> General Counsel's Office/Date
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SUBJECT: Staff Recommendation for Missouri Gas Energy's Optional PGA Filing - Effective February 1, 2009

DATE: January 20, 2009

On January 16, 2009, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri, filed a tariff sheet bearing an effective date of February 1, 2009. This tariff sheet was filed to reflect a change in MGE's Purchased Gas Adjustment (PGA) factor as a result of estimated changes in the cost of natural gas for the remaining 2008-2009 Winter season.

This filing will decrease the firm PGA factor for the remaining 2008-2009 Winter season to \$0.77358 per one-hundred cubic feet (Ccf), from the current PGA factor of \$.94501 per Ccf. This represents a decrease of \$.17143 per Ccf.

Case No. GR-2009-0268, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2008-2009 Actual Cost Adjustment (ACA) filing. Case Nos. GR-2007-0256 and GR-2008-0367 were established to track the Company's PGA factors to be reviewed in its 2006-2007 and 2007-2008 ACA filings respectively. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2007-0256, GR-2008-0367 and GR-2009-0268.

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

Although MGE filed its tariff sheet with a requested effective date of February 1, 2009, the Commission may approve them and order an earlier effective date. Staff has not had an opportunity to verify the numbers contained in the instant filing, given the interim nature of the filing. However, Staff believes the amount of the decrease contained therein, and the need to assist Missouri consumers by promptly implementing a decrease in natural gas rates, constitutes good cause. Therefore, Staff recommends that the filing be approved on an expedited basis, to become effective

on January 22, 2009, and that the following tariff sheet, filed on January 16, 2009, be approved,
interim subject to refund:

P.S.C. MO. No.1

Eighteenth Revised SHEET No. 24.3, Canceling Seventeenth Revised SHEET No. 24.3

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

In the Matter of Missouri Gas Energy's
2008-2009 Actual Cost Adjustment

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Case No. GR-2009-0268

AFFIDAVIT OF THOMAS M. IMHOFF

STATE OF MISSOURI

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) ss

COUNTY OF COLE

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Thomas M. Imhoff, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

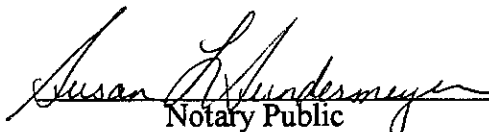


Thomas M. Imhoff

Subscribed and sworn to before me this 20th day of January, 2009.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public