

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

In the Matter of Missouri Gas Energy Optional)
Purchase Gas Adjustment Filing.) Case No. GR-2011-0290

**STAFF RECOMMENDATION TO APPROVE MISSOURI GAS ENERGY'S
OPTIONAL PGA FILING ON AN EXPEDITED BASIS**

COMES NOW the Staff of the Missouri Public Service Commission and files its Recommendation that Missouri Gas Energy's (MGE) Optional PGA filing be approved as submitted. In support Staff States:

1. On March 17, 2011, MGE, a division of Southern Union Company, filed a tariff sheet with an effective date of April 1, 2011.

2. 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 2011 summer season.

3. This filing will decrease the firm PGA factor for the 2011 summer season to \$0.71809 per one-hundred cubic feet (Ccf), from the current PGA factor of \$0.79329 per Ccf. This represents a decrease of \$0.0752 per Ccf.

4. Staff recommends the Commission approve this tariff sheet, which reduces the PGA factor, on an expedited basis, however, this rate change should be on an interim, subject to refund status pending final Commission decisions in the related Purchased Gas Adjustment cases.

WHEREFORE the Staff recommends approval of MGE's tariff filing on an expedited basis with rates approved on an interim-subject-to-refund basis.

Respectfully submitted,

/s/ Lera L. Shemwell

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 22nd day of March, 2011.

/s/ Lera Shemwell