

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

In the Matter of the Application of Missouri Gas)	
Energy, a Division of Southern Union Company,)	<u>File No. GO-2011-0003</u>
for Approval to Change its Infrastructure System)	Tariff No. YG-2011-0019
Replacement Surcharge)	

STAFF'S RESPONSE TO ORDER

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Response to Commission Order*, states Staff supports approval of the revised tariffs filed by Missouri Gas Energy (MGE), and further states:

1. On August 31, 2010, Staff submitted its *Recommendation* to the Commission on MGE's Infrastructure System Replacement Surcharge (ISRS).

2. On the same day, MGE filed its *Notice of Agreement*, informing the Commission that MGE accepts and is in agreement with Staff's August 31, 2010 *Recommendation*.

3. On September 8, 2010, MGE filed a proposed tariff sheet, P.S.C. MO No. 1 Eleventh Revised Sheet No. 10, cancelling P.S.C. MO. No. 1 Tenth Revised Sheet No. 10, assigned Commission tracking No. YG-2011-0019. MGE also filed a *Motion for Expedited Treatment* seeking the Commission authority for the proposed tariff sheet to go into effect on September 18, 2010.

4. On September 8, 2010, the Commission issued an *Order Approving Infrastructure System Replacement Surcharge and Rejecting Tariff*. This Order authorized MGE to establish an ISRS to recover annual revenue of \$1,379,866, authorize MGE to file an ISRS rate for each customer class, and granted MGE's requested waiver for Commission Rule 4 CSR 240-3.265(14).

5. On September 8, 2010, the Commission issued an *Order Directing Staff Recommendation or Status Report*, directing Staff to file recommendation or status report no later than September 14, 2010.

6. Staff has examined MGE's revised substitute tariff sheets as listed in paragraph 3 and recommends approval of the revised tariff sheet as in compliance with the Commission's *Order*. See Attached *Staff Recommendation and Affidavit Of Michael Ensrud*.

WHEREFORE, Staff supports the revised tariff sheet filed by MGE in Tariff File No. YG-2011-0019 and recommends approval of this tariff sheet, as set out below:

P.S.C. MO No. 1 Eleventh Revised sheet No. 10, cancelling P.S.C. MO. No. 1 Tenth Revised Sheet No. 10.

Respectfully submitted,

/s/ Jaime N. Ott

Jaime N. Ott
Assistant General Counsel
Missouri Bar No. 60949

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8700 (Telephone)
(573) 751-9285 (Fax)
jaime.ott@psc.mo.gov

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 13th day of September 2010.

/s/ Jaime N. Ott

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GO-2011-0003 / File No. YG-2011-0119 – Missouri Gas Energy

FROM: Michael Ensrud, Tariffs/Rate Design – Energy

<u>/s/ Tom Imhoff</u> <u>09/13/10</u> Project Coordinator / Date	<u>/s/ Jaime Ott</u> <u>09/13/10</u> Staff Counsel's Office / Date
---	---

SUBJECT: Staff's Recommendation on the Tariff Sheets Filed in Compliance with Commission Order and MGE's Motion for Expedited Treatment

DATE: September 13, 2010

On September 8, 2010 Missouri Gas Energy (MGE or Applicant), a division of Southern Union Company, filed a tariff sheet with the Missouri Public Service Commission (Commission).

This tariff sheet was concurrently filed with MGE's MOTION FOR EXPEDITED TREATMENT (Motion) and is in response to the September 8, 2010 Commission's ORDER APPROVING INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE AND REJECTING TARIFF (Order) in Case No. GO-2011-0003. In its Motion, MGE requests an effective date of September 18, 2010. MGE's newly submitted ISRS tariff sheet (YG-2011-0119) complies with those prescribed rates that are part of the Commission's September 8, 2010 Order that rejected the initially-filed rates.

The Staff has reviewed MGE's tariff sheet and MGE's Motion. The Staff's analysis indicates that the tariff sheet was filed in compliance with the Commission's September 8, 2010 Order in this case. Staff raises no objection to the expedited effective date of September 18, 2010.

The Staff has verified that MGE is not delinquent on any assessment. MGE has filed its 2009 annual report. The Staff has reviewed this filing and is not aware of any issue currently pending before the Commission that affects, or is affected by this filing.

Therefore, Staff recommends that the replacement tariff sheet, as filed on September 8, 2010, be allowed to go into effect on September 18, 2010, as requested by MGE.

P.S.C. MO. No. 5

Eleventh Revised Sheet No. 10, CANCELLING Tenth Revised Sheet No. 10

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI


In the Matter of the Application of)
Missouri Gas Energy, a Division of)
Southern Union Company, for Approval)
to Change its Infrastructure System)
Replacement Surcharge)

Case No. GO-2011-0003
YG-2011-0119

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
)**ss**
COUNTY OF COLE)

Michael J. Ensrud, 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.


Michael J. Ensrud

Subscribed and sworn to before me this 13th day of September, 2010.



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


Notary Public