

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Missouri Gas
Energy Co. PGA/ACA Filing

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Case No. GR-2008-0367
Tariff No. YG-2008-0685

ORDER APPROVING INTERIM RATES

Issue Date: May 29, 2008

Effective Date: June 3, 2008

On May 16, 2008, Missouri Gas Energy, a division of Southern Union Company (MGE) filed a proposed tariff sheet making changes in MGE's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the remaining 2008 summer season.

The proposed PGA rate of \$1.04107 per one hundred cubic feet (Ccf) reflects an increase of \$0.21986 per Ccf over the PGA Rate currently in effect of \$0.82121.

The Commission's Staff filed its Memorandum and Recommendation on May 27, 2008. In its Memorandum and Recommendation, Staff supports the increase of MGE's firm PGA factor. Furthermore, Staff supports Commission approval and incorporation of the rates as expeditiously as possible, in that any rate change at this time is subject to true-up in the ACA process. Staff notes that, because MGE's PGA clause allows for PGA change filings to take affect on ten days' notice, good cause has been shown pursuant to Section 393.140(11), RSMo 2000, to permit the tariff to become effective on less than 30 days' notice. Staff recommends that the rates be

approved on an interim basis, subject to refund status, pending final Commission decisions in ACA Case Nos. GR-2008-0367 and GR-2007-0256.

The Commission has reviewed the proposed tariff sheet and Staff's Memorandum and Recommendation. The Commission finds that the proposed tariff sheet conforms to the Company's Commission-approved PGA Clause. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes that the proposed tariff sheet should be approved to become effective on June 3, 2008, on an interim basis, subject to refund, pending final Commission decisions in ACA Case Nos. GR-2008-0367 and GR-2007-0256.

IT IS THEREFORE ORDERED:

1. That the proposed tariff sheet filed on May 16, 2008, by Missouri Gas Energy, a division of Southern Union Company is approved on an interim basis, subject to refund, pending final Commission decisions in ACA Case Nos. GR-2008-0367 and GR-2007-0256.. The specific tariff sheet approved is:

P.S.C. MO. No. 1

16th Revised Sheet No. 24.3, Canceling 15th Revised Sheet No. 24.3

2. That this order shall become effective on June 3, 2008.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(SEAL)

Nancy Dippell, Deputy Chief Regulatory
Law Judge, by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri
on this 29th day of May, 2008.