

**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

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Recommendation, states as follows:

1. On October 15, 2009, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri, filed a tariff sheet having an effective date of November 1, 2009. This tariff sheet was filed to reflect changes in MGE's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming winter season.

2. 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 ACA filing. Case No. GR-2008-0367 was established to track the Company's PGA factors to be reviewed in its 2007-2008 ACA filing and Case No. GR-2007-0256 was established to track the Company's PGA factors to be reviewed in its 2006-2007 ACA filing.

3. This rate change should be on an interim basis, subject to refund status pending a final Commission decision in ACA Case Nos. GR-2007-0256, GR-2008-0367, and GR-2009-0268.

4. Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the

information included in this ACA filing to the Commission on or before December 31, 2010.

5. Staff recommends that the tariff sheet, filed on October 15, 2009, be approved, on an interim subject to refund basis only.

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 October 2009.

/s/ Lera L. Shemwell