

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

In the Matter of Missouri Gas Energy's)	
Tariff Sheets Designed to Increase)	
Rates for Gas Service in the)	Case No. GR-2009-0355
Company's Missouri Service Area)	

MGE'S RESPONSE TO ORDER DIRECTING FILING

Comes now Missouri Gas Energy ("MGE"), by and through the undersigned counsel, and for its Response to the Order Directing Filing issued by the Missouri Public Service Commission ("Commission") in the captioned-matter on February 16, 2010, respectfully states as follows:

1. On February 16, 2010, the Commission Staff filed a pleading with the Commission requesting permission to file its recommendation concerning MGE's compliance tariffs no later than February 22, 2010.

2. MGE does not object to this request provided that the February 22, 2010 deadline for other parties to object to said tariffs continues in effect and further that the Commission orders that any party wishing to respond to the Staff Recommendation (or respond to objections by any party that may be filed by February 22, 2010) do so no later than February 23, 2010.

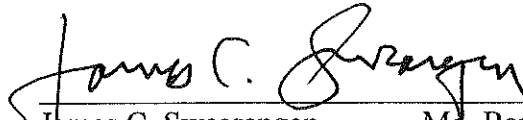
3. The Commission's Report and Order in this matter and the dates to set out therein and in this Response will permit the Commission to issue an Order Approving Compliance Tariffs effective on or before the February 28, 2010, the operation of law date in this case. MGE has some concern, however, that implementation of the compliance tariffs may be delayed beyond the operation of law date in light of the press release issued by the Commission on February 11, 2010, copy attached as Appendix A,

which states that "The rate change is expected to take effect in mid-March." For the reasons set out in MGE's Motion For Expedited Treatment and Approval of Tariff Sheets previously filed in this docket, a delay of the effective date of compliance tariffs beyond the operation of law date until sometime in mid-March would be unlawful and unreasonable.

4. MGE has requested that the revised tariff sheets be authorized to be effective on February 28, 2010, as this would be consistent with the requirements of the law and long-standing Commission custom, practice and precedent. Should the Commission delay the effectiveness of the revised tariff sheets MGE has filed in compliance with the *Report and Order* beyond February 28, 2010, MGE will be denied recovery of a certain portion of the rate relief to which the Commission has already found MGE to be entitled, to-wit: more than \$40,000 for each and every day of delay beyond February 28, 2010. Once lost, this revenue will never be recovered by MGE. Such an outcome would be unlawful, unjust, unreasonable, confiscatory and, in MGE's opinion, a result not intended by the Commission.

WHEREFORE, MGE respectfully submits its Response.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James C. Swearengen". The signature is written in a cursive style with a large, stylized "J" and "S".

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ATTORNEYS FOR MISSOURI GAS ENERGY,
A DIVISION OF SOUTHERN UNION
COMPANY

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 17TH day of February, 2010, to:

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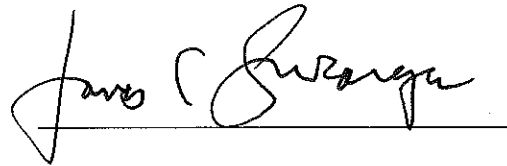
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A handwritten signature in black ink, appearing to read "Jane C. Swartz", is written over a horizontal line.