

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's Tariffs)
Increasing Rates for Gas Service Provided to)
Customers in the Company's Missouri)
Service Area.)

Case No. GR-2006-0422

**MISSOURI GAS ENERGY'S RESPONSE TO STAFF'S CASE
RECONCILIATION**

COMES NOW Missouri Gas Energy ("MGE") and for its response to Staff's Case Reconciliation, states as follows:

1. On or about December 20, 2006, Staff filed its Case Reconciliation. That Reconciliation contains two items that MGE believes to be incorrect.

2. With respect to low income weatherization, Staff has assigned this issue of value of \$100,000.00. MGE believes this understates the magnitude of the issue and that the correct amount is \$120,000.00. MGE's understanding is set forth in the surrebuttal testimony of Michael Noack at pages 9-10.

3. Staff has assigned a value of \$500,000.00 to the issue of natural gas conservation. Similarly, MGE believes that this number understates the actual value of the issue. MGE's proposal would call for funding this program, through rates, in the amount of \$750,000.00. This can be found in the rebuttal testimony of MGE witnesses Michael Noack, at page 14 and David Hendershot at page 4.

4. There is no tax effect associated with the amounts these two issues represent.

Respectfully submitted,

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A DIVISION OF SOUTHERN UNION
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was electronically transmitted, sent by U.S. Mail, postage prepaid, or hand-delivered, on this 27th day of December, 2006, to:

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