

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

In the Matter of Missouri Gas Energy and)
Its Tariff Filing to Implement a General Rate) Case No. GR-2009-0355
Increase for Natural Gas Service) Tariff No. YG-2009-0714

RESPONSE CONCERNING TEST YEAR, UPDATE AND TRUE-UP

Comes now Missouri Gas Energy (MGE or Company), a division of Southern Union Company, and states as follows to the Missouri Public Service Commission (Commission) in response to the filings concerning test year, update and true-up:

1. On April 20, 2009, MGE filed its *Recommendation Concerning Test Year and Update and Request for True-Up Audit and Hearing*, recommending the Commission establish the test year as the twelve-month period ending December 31, 2008, updated through June 30, 2009, and requesting the true-up of certain cost components through September 30, 2009.

2. On April 28, 2009, Staff filed a pleading wherein it concurred in MGE's proposed twelve-month test year period ending December 31, 2008. Staff did not concur with MGE's recommendation for an update period ending June 30, 2009, and instead recommended the Commission establish the test year as the twelve-month period ending December 31, 2008, updated through April 30, 2009.

3. On April 30, 2009, the Office of the Public Counsel filed its pleading concurring with Staff's recommendation. No other party took a position in regard to the test year and update.

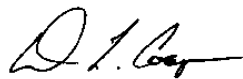
4. MGE does not object to the April 30 update period that has been by the Staff. In accordance with the procedural schedule that has been ordered in this case, MGE will update its case through April 30, 2009.

5. Staff further stated in its pleading that it “does not anticipate an objection to MGE’s proposed true-up audit, or its proposed date of September 30, 2009.” However, Staff further proposed to investigate the need for a true-up audit and hearing during its audit and to make a final recommendation concerning such audit and hearing in its direct testimony filed in this case.

6. Because the Commission has in its procedural schedule reserved dates for a true-up hearing as well as true-up testimony and briefing, MGE does not object to the Commission taking the Staff suggested approach to the true-up period provided that the Commission addresses this issue very shortly after the filing of the referenced direct testimony..

WHEREFORE, MGE respectfully requests the Commission adopt the above-described test year, as adjusted and updated for the captioned proceeding.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 29th day of May, 2009, to:

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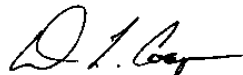
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