

**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     )	Case No. GR-2009-0355
Rate Increase for Natural Gas Service     )	

**STAFF RESPONSE TO COMMISSION ORDER FOR  
UPDATED RECONCILIATION IN THE EVENT OF A SETTLEMENT**

COMES NOW the Staff of the Missouri Public Service Commission, and in response to Commissioner Jarrett's request that an Updated Reconciliation be made if any settlement was reached, Staff files its Updated Reconciliation and states:

1. On April 2, 2009, in Case No. GR-2009-0355, MGE filed tariff sheets to increase rates by \$32,416,997.
2. On October 26, 2009, during the MGE hearings, Commissioner Jarrett asked that, in the event a settlement was reached, an updated case reconciliation be filed.
3. A partial agreement addressing some issues was reached and, on November 5, 2009, a Partial Stipulation and Agreement (Stipulation) was filed in the case.
4. Since the Stipulation was filed, the Staff has updated its EMS run and reconciliation to reflect the issues resolved by that agreement.
5. Prior to filing, the reconciliation was distributed to all parties for comment. No one has commented or objected.
6. Staff's updated reconciliation, which reflects only the issues which were resolved by the Stipulation, is attached to this filing, in compliance with the Commission order. This reconciliation does not reflect the ordered true-up for MGE's revenue

requirement through September 30, 2009, which will be the subject of a Staff filing on Tuesday, November 24, 2009.

WHEREFORE Staff respectfully requests the Commission accept Staff's filing in compliance with Commission Order.

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, or transmitted by facsimile or electronic mail to all counsel of record this 20<sup>th</sup> day of November, 2009.

/s/ Lera L. Shemwell

Lera L. Shemwell

**Missouri Gas Energy**  
**GR-2009-0355**  
**Revenue Requirement Reconciliation**

Line No.

1	Company Revenue Requirement Per Reconciliation		\$20,112,712
2	Difference due to Tax Conversion Factor - Rounding Difference		0
3	Company Revenue Requirement		<u>\$20,112,712</u>
4			
5	Rate of Return & Capital Structure		
6	Rev. Req. Value of Return on Equity	(5,034,947)	
7	Value of Capital Structure Issue - Staff / Company	(1,819,013)	
8	Effect of Interest Synch. on RB Diff	<u>1,901,993</u>	
9	Sub-Total Rate of Return and Capital Structure Differences		(4,951,976)
10	Unreconciled Difference/Rounding		<u>4</u>
11			
12	Staff Revenue Requirement		<u>\$15,160,740</u>
13			
14	OPC Issues		
15	Rev. Req. Value of Return on Equity	2,464,280	
16	Value of Capital Structure Issue	1,459,552	
17	Effect of Interest Synch. on Rate of Return Diff	(4,731,752)	
18	Reduced Rate Design Risk	<u>(1,842,034)</u>	
19	Sub-Total Rate of Return and Capital Structure Differences		(\$2,649,955)
20	Unreconciled Difference/Rounding		<u>0</u>
21			
22	OPC Revenue Requirement		<u>\$12,510,786</u>