

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2011-0290, File No. YG-2011-0465
Missouri Gas Energy

FROM: Tom Solt, Energy Department – Tariffs/Rate Design

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| <u>/s/ Thomas A. Solt 3/22/11</u> Utility Operations Division/Date | <u>/s/ Lera Shemwell 3/22/11</u> General Counsel's Office/Date |
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SUBJECT: Staff Recommendation for Missouri Gas Energy's Optional PGA Filing - Effective April 1, 2011

DATE: March 22, 2011

On March 17, 2011, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri, filed a tariff sheet bearing an effective date of April 1, 2011. This tariff sheet was filed to reflect a change in MGE's Purchased Gas Adjustment (PGA) factor as a result of estimated changes in the cost of natural gas for the 2011 summer season.

This filing will decrease the firm PGA factor for the 2011 summer season to \$0.71809 per one-hundred cubic feet (Ccf), from the current PGA factor of \$0.79329 per Ccf. This represents a decrease of \$0.0752 per Ccf.

Case No. GR-2011-0290, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2010-2011 Actual Cost Adjustment (ACA) filing. Case No. GR-2010-0372 was established to track the Company's PGA factors to be reviewed in its 2009-2010 ACA filing. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2011-0290 and GR-2010-0372.

Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by MGE's Commission-approved PGA Clause allowing for ten (10) business days notice for PGA change filings. Staff has verified that this company has filed its annual report and is not delinquent on any of its assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Although MGE filed its tariff sheet with a requested effective date of April 1, 2011, the Commission may approve them and order an earlier effective date. Staff recommends that the filing be approved to become effective on April 1, 2011, and that the following tariff sheet, filed on March 17, 2011, be approved, interim subject to refund:

P.S.C. MO. No.1

Twenty-Fourth Revised SHEET No. 24.3, Cancelling Twenty-Third Revised SHEET No. 24.3

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

In the matter of Missouri Gas Energy's
PGA/ACA

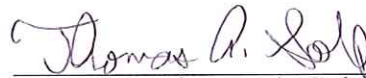
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Case No. GR-2011-0290

AFFIDAVIT OF THOMAS A. SOLT

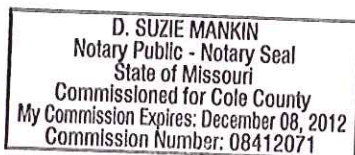
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Thomas A. Solt, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Thomas A. Solt

Subscribed and sworn to before me this 22nd day of March, 2011.





Notary Public