

**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

**MGE’S RESPONSE TO ORDER DIRECTING FILING
CONCERNING CUSTOMER NOTICE**

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 Commission Order Directing Filing:

SUMMARY

MGE responds to the Commission’s Order Directing Filing addressing the customer notices proposed by MGE and the Public Counsel. MGE proposes a compromise notice for the Commission’s consideration and requests that the Commission issue its decision setting the local public hearings and directing the form of notice prior to July 9, 2009, so that whatever notice is to be used may be sent with customer bills in a timely manner.

BACKGROUND

1. On June 4, 2009, the Office of the Public Counsel (Public Counsel) filed its proposed customer notice recommendation. MGE filed its objection to the proposed notice on June 11, 2009. That objection included MGE’s proposal for an alternative notice. Public Counsel filed its reply on June 22, 2009.

2. On June 23, 2009, the Commission issued its Order Directing Filing wherein it ordered MGE and the Public Counsel to file a customer notice to which both parties consent or, in the alternative, to inform the Commission how much time they believe they need to negotiate. The Commission directed that any such pleading be filed by June 30, 2009.

3. MGE and Public Counsel continue to attempt to reach agreement as to this issue. However, no agreement has yet been reached and MGE is concerned by the approaching practical deadline associated with customer notice. Therefore, MGE has filed this pleading to notify the Commission as to the need for speedy resolution of this issue if the parties are unable to negotiate a compromise by June 30, 2009.

TIMING OF DECISION

4. Local public hearings have been proposed for August 31 through September 9. MGE assumes that it will be directed to send the notices at least ten days, but not more than 45 days, prior to any local public hearings.

5. Given this schedule, and in order to utilize an entire billing cycle within the designated period, MGE would need to start the mailings on July 23, 2009. If MGE provides the notice to the printer on July 9, 2009, that gives the printer eight business days to print and deliver the more than 500,000 notices that must be inserted in bills starting on July 23.

FORM OF NOTICE

6. In an effort to provide a compromise position for the Commission's consideration, MGE hereby suggests that a combination of the MGE and Public Counsel proposals be used by the Commission.

7. MGE's proposal is to use the customer notification language attached hereto as **Appendix A** in order to provide a brief explanation of the MGE rate increase request and the times and locations for local public hearings.. MGE would propose to print the notice in the format proposed by the Public Counsel. That is, tri-folded and included in the envelope with a customer's MGE bill such that an explanation as to how customers may submit comments and a mail-in comment form is a part of the notice.¹ MGE would have the notices printed on paper of sufficient thickness so that the mail-in comment cards are consistent with the mailing requirement of the United States Postal Service.

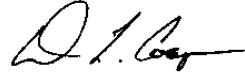
8. MGE's proposal represents a reasonable compromise of the positions and would provide customers with a straight forward and easily comprehensible notice for the local public hearings. It would also follow the physical format desired by the Public Counsel in regard to the opportunity for mail-in comments.

WHEREFORE, MGE respectfully requests the Commission consider the above comments and direct it to provide customer notice utilizing the notice language attached

¹ MGE does not, however, waive any hearsay objections, or any other objections, that may preclude apply to such mail-in comments.

hereto as **Appendix A** in the described physical format.

Respectfully submitted,



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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 26th day of June, 2009, to:

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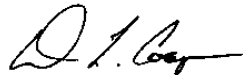
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Dean L. Cooper

APPENDIX A

Notice of Local Public Hearings

Missouri Gas Energy (MGE) has filed a natural gas rate case with the Missouri Public Service Commission seeking to increase non-gas cost revenues by approximately \$32.4 million a year. This case does not involve the gas cost portion of your monthly bill identified as COG (cost of gas). Non-gas costs are general operating and maintenance costs typically representing 25 to 30 percent of a customer's total monthly natural gas bill.

Under the filing, the monthly increase for average customer in each rate class appears below:

Residential	\$5.21
Small General Service	\$4.06
Large General Service	\$20.15
Large General Service	\$173.04

Rates from the case are not expected to take effect until February 2010.

The Public Service Commission will hold local public hearings to receive customer comments on MGE's rate case as follows:

Missouri Southern State University
(bldg name?)
3950 E. Newman Road, Joplin, MO 64801
August 31, 2009, 6:00 p.m.

University of Central Missouri
(Kirkpatrick Library)
601 Missouri, Warrensburg, MO 64093
September 1, 2009, 6:00 p.m.

Missouri Western University
(Bldg name)
4525 Downs Drive, St. Joseph, MO 64507
September 8, 2009, 6:00 p.m.

Kansas City Public Library
(Name of room)

14 West 10th Street, Kansas City, MO 64105
September 9, 2009, 12:00 p.m.

High School location TBD
(Name of room)
Independence, MO
September 9, 2009, 6:00 p.m.

Hearings will be held in buildings that meet accessibility standards required by the Americans with Disabilities Act. Any person needing additional accommodations to participate in these hearings may call the Public Service Commission's hotline at 1-800-829-7541 (TDD hotline) prior to the meeting.

If you wish to comment, you may contact MGE at (816)-360-5980, or by e-mail at MGE.rates@sug.com. Or for complete details of the MGE rate case filing go to psc.mo.gov/case-filing-information and search for Case No. GR-2009-0355.

Office of the Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102 or call (866) 922-2959, or e-mail at mopco@ded.mo.gov.

Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65102 or call (800) 392-4211, or e-mail at pscinfo@psc.mo.gov.