

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2009-0268, File No. YG-2010-0282  
Missouri Gas Energy

FROM: Henry E. Warren, Energy Department – Tariffs/Rate Design

<u>/s/ Thomas M. Imhoff 10/22/09</u> Utility Operations Division/Date	<u>/s/ Lera Shemwell 10/22/09</u> General Counsel's Office/Date
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SUBJECT: Staff Recommendation for Missouri Gas Energy's Winter Season PGA Filing -  
Effective November 1, 2009

DATE: October 22, 2009

On October 15, 2009, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri, filed a tariff sheet having an effective date of November 1, 2009. This tariff sheet was filed to reflect changes in MGE's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas (Commodity Cost of Gas or CCG) and changes in the Actual Cost Adjustment (ACA) factor for the upcoming winter season.

This filing will increase the firm PGA factor for the upcoming 2009 - 2010 winter season, to \$0.69754 per one-hundred cubic feet (Ccf), from the current PGA factor of \$0.54190 per Ccf. This represents an increase of \$0.15564 per Ccf for all customer classes except transportation.

Case No. GR-2009-0268, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2008-2009 ACA filing. Case No. GR-2008-0367 was established to track the Company's PGA factors to be reviewed in its 2007-2008 ACA filing and Case No. GR-2007-0256 was established to track the Company's PGA factors to be reviewed in its 2006-2007 ACA filing. This rate change should be on an interim basis, subject to refund status pending a final Commission decision in ACA Case Nos. GR-2007-0256, GR-2008-0367, and GR-2009-0268.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2010.

Staff has verified that this company has filed its 2008 annual report and is current on its 2009 assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Staff recommends that the following tariff sheet, filed on October 15, 2009, be approved, interim subject to refund:

P.S.C. MO. No.1

Twentieth Revised SHEET No. 24.3, Canceling Nineteenth Revised SHEET No. 24.3

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

In the Matter of Missouri Gas Energy's  
2008-2009 Actual Cost Adjustment

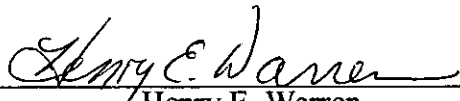
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GR-2009-0268

**AFFIDAVIT OF HENRY E. WARREN**

STATE OF MISSOURI     )  
                                  ) ss  
COUNTY OF COLE     )

Henry E. Warren, 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.

  
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Henry E. Warren

Subscribed and sworn to before me this 22<sup>nd</sup> day of October, 2009.

  
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Notary Public



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086