

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

In the Matter of Staff's Recommendation)	
In Missouri Gas Energy's Actual Cost)	Case No. GR-2007-0256
Adjustment for the 2006-2007 Season.)	

STAFF'S RECOMMENDATION IN THIS CASE

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and files its Recommendation in this case.

1. On January 3, 2007, 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 January 18, 2007.

2. On January 5, 2007, MGE filed a substitute tariff sheet to correct a typographical error.

3. 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 for the remaining winter season

4. Staff is of the opinion that good cause exists for approval of this tariff on less than thirty (30) days notice since it is a reduction in the cost to customers. Staff recommends the Commission approve this tariff interim subject to refund only subject to the Actual Cost Accounting Purchased Gas Adjustment audit.

WHEREFORE, the Staff recommends the Commission approve this tariff filing on less than thirty (30) days notice, on an interim subject to refund basis only.

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, transmitted by facsimile or electronically mailed to all counsel of record this 8th day of January 2007.

/s/ Lera L. Shemwell
