

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

In the Matter of Missouri Gas Energy's Tariffs)	
Increasing Rates for Gas Service Provided to)	Case No. GR-2006-0422
Customers in the Company's Missouri Service)	
Area.)	

**MGE'S RESPONSE CONCERNING
LOCAL PUBLIC HEARINGS AND NOTICE**

Comes now Missouri Gas Energy (MGE), a division of Southern Union Company, and, as its response concerning locations for the local public hearings and the language of the customer notice, states as follows to the Missouri Public Service Commission (Commission):

1. On July 13, 2006, the Commission issued its Order Regarding Procedural Schedule, Test Year and True-Up Hearing. The Order, among other things, directed that the parties "file a pleading suggesting the locations of the Local Public Hearings and proposed language to constitute notice of such hearings no later than July 25, 2006."

2. MGE has made proposals to the other parties concerning the locations for local public hearings and the form of customer notice. Unfortunately, the parties have been unable to reach agreement as to these issues. Accordingly, MGE files this pleading and the attached Notice as its proposal concerning local public hearings and notice.

3. Attached as **Appendix A** is MGE's proposed notice. This notice is closely modeled after the language provided in the Commission's Suspension Order and Notice, issued May 12, 2006. That order stated in relevant part as follows:

Missouri Gas Energy shall notify each affected customer of the local public, evidentiary and true-up hearings scheduled in this case, either by a notice on, or accompanying, a bill or by separate notice, at least ten days, but not more than 45

days, prior to the relevant hearing. The notice shall be substantially in the following form:

NOTICE

Missouri Gas Energy has filed revised gas service tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross revenues by approximately 6.8%. For the average residential customer the proposed increase would be approximately \$6.52 per month.

A local public hearing (or evidentiary hearing) has been set before the PSC at _____ o'clock __m., ____, at ____ Street, ____, Missouri. If you wish to comment or secure information, you may contact the Office of the Public Counsel, Post Office Box 2300, Jefferson City, Missouri 65102, telephone (573) 751-4857.

This building meets accessibility standards required by the American with Disabilities Act. If a customer needs additional accommodations to participate in these hearings, please call the Public Service Commission's Hotline at 1-800-392-4221 (voice) or Relay Missouri at 711 prior to the hearing.

4. MGE's proposed is also similar to that used in many recent rate cases. In fact, it is almost exactly the form of notice proposed by the Office of the Public Counsel in the Kansas City Power & Light Company (KCPL) rate case (Case No. ER-2006-0314). The Commission ordered KCPL to use that same form of notice earlier this month in its Order Directing Kansas City Power & Light Company to provide Customer Notice (issued July 6, 2006, copy attached hereto as Appendix B).

5. MGE believes that its proposed notice contains accurate and easily understood information that will provide its residential customers with a meaningful point of reference in regard to the potential impact on their total bill.

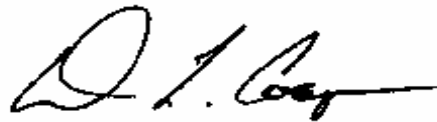
6. Additionally, MGE has identified four cities as potential locations for local public hearings. MGE suggests that hearings take place in Joplin, St. Joseph, Kansas City and Blue

Springs during the week of October 23-27, 2006 (the time period identified in the parties' proposed procedural schedule).

7. These four hearings would cover the most populous areas of the MGE service territory. They also represent the locations that the Commission visited two years ago in MGE's last rate case (Case No. GR-2004-0209). As a point of reference, it should be noted that the Commission held just two local public hearings in Laclede Gas Company's last rate case (GR-2005-0284). Laclede, while perhaps not as geographically diverse as MGE, is a natural gas utility having approximately 150,000 more customers than MGE. MGE believes that the use of the four identified locations creates an appropriate balance between visiting different parts of MGE's service territory with an efficient expenditure of Commission, party and customer time and financial resources.

WHEREFORE, MGE respectfully requests that the Commission adopt the customer notice and local public hearing locations proposed herein.

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 25th day of July, 2006, to:

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200 Madison Street
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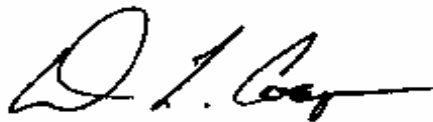
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