

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

In the Matter of the Application of Southern)
Union Company d/b/a Missouri Gas Energy,)
Sigma Acquisition Corporation and Energy)
Transfer Equity, L.P. for an Order)
Authorizing them to Perform in Accordance)
with a Merger Agreement and to Undertake)
Related Transactions)
)

Case No. GM-2011-0412

**STAFF'S CORRECTED RECOMMENDATION
IN RESPONSE TO COMMISSION ORDER**

COMES NOW the Staff of the Missouri Public Service Commission and, for its *Corrected Recommendation* in response to the Commission's March 12, 2012, *Order Directing Recommendation*, states:

1. Attached is Staff's *Corrected Recommendation* regarding MGE's P.S.C. No. 1, Fourth Revised Sheet 16.
2. Staff recommends approval of the tariff filing and also advises the Commission that, because this filing was made on thirty (30) days' or greater notice, no order is necessary to indicate approval and the unopposed tariff may be allowed to go into effect by operation of law.
3. Staff files a *Corrected Recommendation* because the word "not" was inadvertently omitted from the third sentence of Paragraph 2. This omission has been corrected in the attached *Corrected Staff Recommendation*.

WHEREFORE, Staff recommends approval of MGE's tariff sheet because it is in compliance with the Commission's Order approving the Stipulation in this case.

Respectfully submitted,

/s/ Kevin A. Thompson

Kevin A. Thompson

Missouri Bar No. 36288

Chief Staff Counsel

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Attorney for the Staff of the Missouri Public
Service Commission.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 22nd day of March, 2012.

/s/ Kevin A. Thompson

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GM-2011-0412, File No. YG-2012-0433, Missouri Gas Energy

FROM: Tom Imhoff, Energy Unit - Tariff/Rate Design

<u>/s/Thomas M. Imhoff 03/22/12</u> Energy Unit/Date	<u>/s/ Lera Shemwell 03/22/12</u> Staff Counsel's Office/Date
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SUBJECT: Corrected Staff Recommendation for Approval of Missouri Gas Energy's Compliance
Tariff Filing

DATE: March 22, 2012

On February 29, 2012, the Missouri Public Service Commission (Commission), issued its Report and Order (Order) in Case No. GM-2011-0412, directing Missouri Gas Energy (MGE or Company) to accomplish all necessary and appropriate purposes to consummate the transaction and related undertakings in accordance with the merger agreement. This Order included approval of the Non-Unanimous Stipulation and Agreement (Stipulation) filed in the case.

On March 12, 2012, MGE filed P.S.C No. 1 Fourth Revised Sheet 16 in response to the Commission's Order approving the Stipulation. The tariff sheet describes costs MGE is permitted to recover in the Purchased Gas Adjustment (PGA) or Actual Cost Adjustment (ACA). The tariff also lists costs MGE is not permitted to recover in the PGA or ACA, which are related to charges for performance, or surety bonds or letters of credit that have been required by commodity suppliers as a result of this merger transaction in Case No. GM-2011-0412.

On March 12, 2012, the Commission issued an ORDER DIRECTING RECOMMENDATION REGARDING TARIFF. This recommendation is in response to the March 12, 2012 Order.

The Commission's Energy Unit - Tariff/Rate Design Staff (Staff) has reviewed the tariff sheet filed by MGE on March 12, 2012, and is of the opinion that this sheet is in compliance with the Commission's Order. Staff is also of the opinion that because this filing was made on thirty (30) days or greater notice, no order is necessary to indicate approval. Therefore, Staff recommends this tariff sheet filed on March 12, 2012, be approved to become effective on and after the requested effective date, April 11, 2012.

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

P.S.C. MO. No. 1

Fourth Revised SHEET No. 16 Canceling Third Revised SHEET No. 16

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

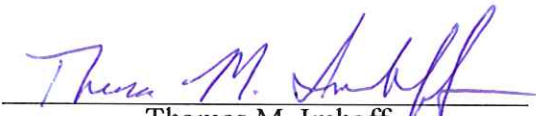
In the Matter of the Application of)
Southern Union Company d/b/a)
Missouri Gas Energy, for Approval to)
Change its Infrastructure System)
Replacement Surcharge)

File No. GM-2011-0412
Tariff File No. YG-2012-0433

AFFIDAVIT OF THOMAS M. IMHOFF

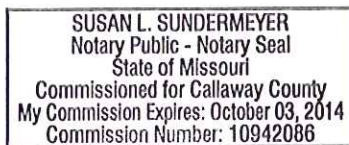
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Thomas M. Imhoff, 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 M. Imhoff

Subscribed and sworn to before me this 22nd day of March, 2012.





Notary Public