

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

Office of the Public Counsel,)
 Complainant,)
)
v.)
)
Southern Union Company, d/b/a/)
Missouri Gas Energy,)
 Respondent.)

File No. GC-2011-0339

**PARTIES NOTICE TO THE COMMISSION
REGARDING SETTLEMENT DISCUSSIONS**

COMES NOW Southern Union Company, d/b/a Missouri Gas Energy, and, on behalf of the Parties to the case, the Office of the Public Counsel (OPC), Missouri Department of Natural Resources (MDNR), and the Staff of the Missouri Public Service Commission ("Staff") states as follows:

1. After a prehearing conference in this matter, the parties filed a joint motion on June 14, 2011 indicating that they would either file a proposed procedural schedule or resolve the matter by July 15, 2011.

2. The Parties have agreed to continue to pursue the possibility of settlement. If the Parties reach an agreement in resolution of this matter, a Stipulation and Agreement will be filed with the Commission on or before July 22, 2011. If the Parties are unable to settle this case, they will submit a proposed procedural schedule to the Commission on or before July 22, 2011.

WHEREFORE, MGE respectfully requests this Commission permit the Parties to proceed as described above.

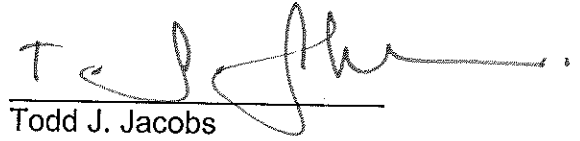
Respectfully submitted,



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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 15th day of July 2011.



Todd J. Jacobs