

FILED
DEC 08 1997
MISSOURI
PUBLIC SERVICE COMMISSION

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

In the matter of Missouri Gas Energy's tariff sheets)
designed to increase rates for gas service in the) Case No. GR-98-140
Company's Missouri service area.)

OFFICE OF THE PUBLIC COUNSEL'S TEST YEAR RECOMMENDATION

COMES NOW, the Office of the Public Counsel ("Public Counsel") and pursuant to Ordered paragraph 6 of the Suspension Order and Notice issued October 29, 1997 recommends the following test year for use in this proceeding:

1. Public Counsel requests that the Commission order a test year using the Company's fiscal year, 12 months ending June 30, 1997 updated for known and measurable changes through December 31, 1997. Use of MGE's fiscal year for purposes of the test year would guarantee the availability of self-contained financial information for a specific period of time. Use of something other than the fiscal year would require parties to attempt to reconcile two separate periods i.e. portions of two different fiscal

years. Use of MGE's fiscal year would reduce the administrative burdens of reconciling two discreet periods.

2. Public Counsel also requests that the Commission Order MGE to update its accounting information consistent with the test year ordered by the Commission.

WHEREFORE, Public Counsel requests the Commission order a test year ending June 30, 1997 updated for known and measurable changes through December 31, 1997, and requiring MGE to update its accounting information consistent with the test year ordered by the Commission.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was either mailed or hand delivered to all counsel of record this 8th day of December 1997.

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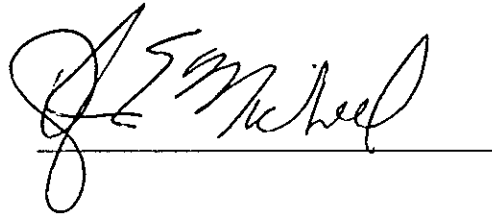
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A handwritten signature in black ink, appearing to read "J. A. Keevil", is written over a horizontal line.