

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GA-2008-0078, File No. YG-2008-0306, Missouri Gas Utility, Inc.

FROM: James A. Gray, Energy Department - Tariffs/Rate Design

/s/ Thomas M. Imhoff 11/13/07 /s/ Dennis L. Frey 11/13/07
Energy Department/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation On Tariff Sheets Filed to Comply With Commission Order and a Motion for Expedited Treatment.

DATE: November 13, 2007

On November 7, 2007, Missouri Gas Utility, Inc. (MGU or Company), filed tariff sheets with the Missouri Public Service Commission (Commission) to comply with the Commission's, ORDER GRANTING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (Order), issued November 6, 2007, in this case. The tariff sheet provides for the required thirty (30) days notice by proposing an effective date of December 7, 2007. MGU filed a MOTION FOR EXPEDITED TREATMENT (Motion), on November 7, 2007. MGU requests that the tariff go into effect on or before November 26, 2007, to provide service to a particular customer.

On September 11, 2007, MGU filed an APPLICATION (Application) with the Missouri Public Service Commission (Commission). The Application requests that the Commission grant MGU a certificate of convenience and necessity (CCN) authorizing it to construct, install, own, operate, control, manage and maintain a natural gas distribution system to provide gas service in Harrison County, Missouri, as a further expansion of its existing certified area. On September 14, 2007, the Commission issued an ORDER DIRECTING NOTICE AND SETTING DATE FOR SUBMISSION OF INTERVENTION REQUESTS, which allowed any intervenors to file by October 4, 2007. On October 16, 2007, MGU filed its MOTION FOR LEAVE TO AMEND APPLICATION, which included an Amended Appendix A. On October 23, 2007, Staff filed its recommendation recommending approval of the CCN. On October 24, 2007, MGU filed its RESPONSE TO ORDER DIRECTING FILING AND MOTION FOR LEAVE TO AMEND (Response), which included an Amended Appendix B. On October 25, 2007, Staff filed its Amended Staff Recommendation to address MGU's Response to Staff's recommendation approving the CCN. On November 16, 2007, the Commission issued its Order granting the CCN.

Staff has verified that MGE has filed its annual report and is not delinquent on any assessment. Staff has reviewed the tariff sheets filed by MGU and has determined that the proposed tariff sheets comply with the Commission's Order. Also, Staff has reviewed MGU's Motion and has determined that good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by the need of natural gas to a large customer. Therefore, Staff recommends that the following tariff sheets filed on November 7, 2007, be allowed to become effective on or before November 26, 2007:

P.S.C. MO. No. 1

1st Revised SHEET No. 3, Cancelling Original SHEET No. 2

2nd Revised SHEET No. 4, Cancelling 1st Revised SHEET No. 4

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

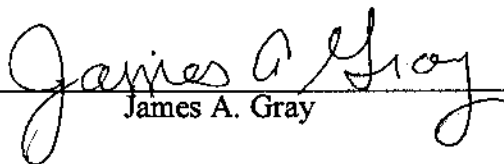
In the Matter of the Application of)
Missouri Gas Utility, Inc., for a)
Certificate of Convenience and)
Necessity Authorizing It to Construct,)
Install, Own, Operate, Control, Manage)
and Maintain a Natural Gas Distribution)
system to Provide Gas Service in)
Harrison County, Missouri, as a Further)
Expansion of Its Existing Service Area)

Case No. GA-2008-0078

AFFIDAVIT OF JAMES A. GRAY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James A. Gray, of lawful age, on oath states: that he has 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 given by 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.


James A. Gray

Subscribed and sworn to before me this 13th day of November, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public

My commission expires 9-21-10