

**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 Daviess)
County, Missouri, as a further expansion of its)
existing certified area.)

STAFF RECOMMENDATION REGARDING TARIFF SHEETS

Comes now the Staff of the Missouri Public Service Commission (Staff) and files its Memorandum in support of Missouri Gas Utility, (MGU) Inc.'s tariffs filed in compliance with the Commission's Report and Order. As set forth in the attached Staff Memorandum, the Staff recommends approval of MGU's compliance tariff sheets.

Wherefore, the Staff recommends the Commission approve MGU's tariff sheets filed on June 22, 2007, with effective date July 22, 2007.

Respectfully submitted,

/s/ Steven C. Reed

Steven C. Reed
Litigation Counsel
Missouri Bar No. 40616

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-3015 (telephone)
(573) 751-9285 (facsimile)
steven.reed@psc.mo.gov (e-mail)

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 29th day of June, 2007.

/s/ Steven C. Reed

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File,
Case No. GA-2007-0421, File No. YG-2007-0931, Missouri Gas Utility, Inc.

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

/s/ Thomas M. Imhoff 06/28/07
Energy Department/Date

/s/ Steven Reed 06/28/07
General Counsel's Office/Date

SUBJECT: Staff Recommendation On Tariff Sheets Filed to Comply With Commission Order.

DATE: June 28, 2007

On June 22, 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 June 26, 2007, in this case. MGU filed the compliance tariff sheets before the Commission issued its Order because MGU wants to begin construction, as soon as possible. The proposed tariff has the required 30 days notice by proposing an effective date of July 22, 2007.

On April 30, 2007, MGU filed an APPLICATION (Application) with the Commission, requesting 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 Daviess County, Missouri, as a further expansion of its existing certified area. On May 1, 2007, the Commission issued an ORDER DIRECTING NOTICE AND SETTING DATE FOR SUBMISSION OF INTERVENTION REQUESTS, which allowed any intervenors to file by May 21, 2007. On May 23, 2007, the Commission issued its ORDER DIRECTING FILING, directing the Staff of the Commission (Staff) to file its recommendation on the tariff filing by July 23, 2007.

Staff has reviewed the tariff sheets filed by MGU and has determined that the proposed tariff sheets comply with the Commission's Order. Staff has verified that MGU has filed its annual report and is not delinquent on any assessment. Staff recommends that the following tariff sheets filed on June 22, 2007, be allowed to become effective on July 22, 2007:

P.S.C. MO. No. 1

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

1st Revised SHEET No. 4, Cancelling Original SHEET No. 4

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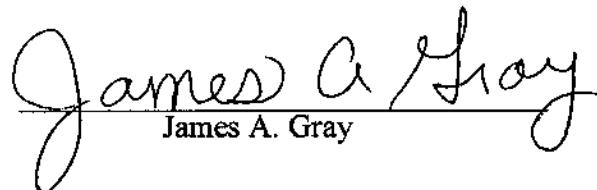
In the matter of Missouri Gas Utility,)
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Case No. GA-2007-0421

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 28th day of June, 2007.



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


Susan L. Sundermeyer
Notary Public

My commission expires 9-21-10