

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the General Rate Increase for Natural Gas Service Provided by Missouri Gas Utility, Inc.) **Case No. GR-2008-0060**
) Tariff No. JG-2008-0138

In the Matter of Missouri Gas Utility, Inc.'s Purchased Gas Adjustment (PGA) Factors To be Audited in Its 2005-2006 Actual Cost Adjustment.) **Case No. GR-2007-0178**
)

ORDER CONSOLIDATING CASES AND MODIFYING PROCEDURAL SCHEDULE

Issue Date: December 21, 2007

Effective Date: December 21, 2007

On November 3, 2006, Missouri Gas Utility ("MGU") filed a tariff sheet purporting to reflect scheduled changes in the Company's Purchased Gas Adjustment ("PGA") factors as the result of an estimated change in the cost of natural gas for the upcoming winter season and changes in the Actual Cost Adjustment ("ACA") factor. This action was assigned Case No. GR-2007-0178. There was an attempt to settle that case; however, it now appears that the case cannot be settled at this time and that it will be necessary to establish a procedural schedule.

On August 29, 2007, MGU submitted to the Missouri Public Service Commission certain proposed tariff sheets for the purpose of implementing a general rate increase for natural gas service to customers in its Missouri service area. This case was assigned Case No. GR-2008-0060. A procedural schedule was set in this case, and the parties are required to file direct testimony on January 18, 2008 (revenue requirement) and February

1, 2008 (rate design); rebuttal testimony on February 29, 2008; and surrebuttal testimony on March 21, 2008. The case will be heard during the week of April 7-11, 2008.

On December 19, 2007, MGU filed a motion to consolidate these two cases and amend the procedural schedule in Case No. GR-2008-0060 to accommodate the consolidation. The parties to Case No. GR-2007-0178 and GR-2008-0060 are identical (MGU, the Commission's Staff, and the Office of the Public Counsel ("OPC")). The issue upon which the parties disagree in Case No. GR-2008-0178 is the treatment of interest costs MGU has incurred associated with its purchase of storage gas. The alternative to treating the interest costs through the ACA/PGA process is to include those costs in base rates through the working capital adjustment. MGU asserts that decisions as to this issue need to be made in both cases with an awareness of the resulting impact. MGU further states that failure to coordinate the decisions to some extent may disadvantage either the Company or its customers. Thus, according to MGU, there are related questions of law and fact and MGU moves that these cases be consolidated.

If the cases are consolidated, MGU proposes the following procedural schedule for Case No. GR-2007-0178 so that no changes would be necessary to the Case No. GR-2008-0060 procedural schedule: Direct Testimony (All Parties) February 20, 2008, Rebuttal Testimony (All Parties) March 14, 2008. The remainder of the GR-2008-0060 procedural schedule would then apply without change. MGU represents that Staff and OPC have stated that they have no objection to the proposed consolidation.

Commission Rule 4 CSR 240-2.110(3) allows the Commission to consolidate pending actions involving related questions of law or fact. The issues in GR-2007-0178 are clearly related to those in Case No. GR-2008-0060. Keeping the cases separate would not

provide any benefit, and creates the potential of there being duplicate filings and the loss of judicial economy. Therefore, the cases should be consolidated for all purposes. Case No. GR-2008-0060 will be designated as the lead case and hereafter all pleadings filed in the consolidated case shall be filed in GR-2008-0060.

IT IS ORDERED THAT:

1. Case No. GR-2007-0178 is consolidated with Case No. GR-2008-0060. Case No. GR-2008-0060 is designated as the lead case.

2. The original procedural schedule established in GR-2008-0060 is amended as follows:

Direct Testimony (Revenue Requirement) All parties except Company	-	January 18, 2008, by 5:00 p.m.
Direct Testimony (Rate Design) All parties except Company	-	February 1, 2008 by 5:00 p.m.
Local Public Hearing Gallatin, Missouri	-	February 11, 2008 beginning 6:00 p.m.
Settlement Conference	-	February 13-15, 2008
Direct Testimony (ACA Issues) All parties	-	February 20, 2008 by 5:00 p.m.
Rebuttal Testimony (Rate Case Issues) All parties	-	February 29, 2008 by 5:00 p.m.
Rebuttal Testimony (ACA Issues) All parties	-	March 14, 2008 by 5:00 p.m.
Surrebuttal Testimony All parties	-	March 21, 2008 by 5:00 p.m.
Reconciliation Filed	-	March 28, 2008 by 5:00 p.m.

List of Issues, List of Witnesses, and Order of Cross-Examination	-	March 28, 2008 by 5:00 p.m.
Prehearing Briefs	-	March 31, 2008 by 5:00 p.m.
Evidentiary Hearing	-	April 7-11, 2008 beginning 8:30 a.m.
True-up hearing, if necessary	-	April 17-18, 2008 beginning 8:30 a.m.
Transcript	-	April 18, 2008
Post-hearing Briefs	-	May 16, 2008 by 5:00 p.m.
Proposed Findings of Fact, and Conclusions of Law	-	May 16, 2008 by 5:00 p.m.

2. This order shall become effective on December 21, 2007.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Harold Stearley, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 21st day of December, 2007.