

**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

**ORDER DIRECTING NOTICE, SUSPENDING TARIFF,**  
**SETTING HEARINGS, AND DIRECTING FILINGS**

Issue Date: September 6, 2007

Effective Date: September 6, 2007

***Procedural History***

On August 29, 2007, Missouri Gas Utility, Inc. ("MGU"), submitted to the Missouri Public Service Commission certain proposed tariff sheets, Tariff File No. JG-2008-0138. The purpose of the filing, according to MGU, is to implement a general rate increase for natural gas service to customers in its Missouri service area. MGU states that the revised natural gas rates are designed to produce an additional \$443,131 in gross annual natural gas revenues, exclusive of applicable gross receipts and sales taxes, or a 28.42% increase over existing natural gas revenues.

The tariff sheets attached to MGU's pleading bear an issue date of August 29, 2007, and are proposed to become effective on September 28, 2007. Together with its proposed tariff sheets and other minimum filing requirements, MGU also filed prepared direct testimony in support of its requested rate increase.

***The Commission's Authority to Suspend Proposed Tariffs:***

Section 393.150, RSMo 2000, authorizes the Commission to suspend the effective date of a proposed tariff for 120 days plus an additional six months to allow for a hearing on

the matter. So that the Commission will have sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable, and in the public interest, the proposed tariffs will be suspended for a period of 120 days beyond the requested effective date. Furthermore, because a hearing on the proposed tariffs cannot be concluded within 120 days, the proposed tariffs will be suspended for an additional six months.

***Test Year and True-up Recommendations:***

The direct testimony of MGU's witness, Kent D. Taylor, filed in support of the proposed tariff, indicates that MGU used its most recent fiscal year, the twelve months ending March 31, 2007, as the test year, modified with known and measurable changes in order to derive the annual revenue requirement.<sup>1</sup> So that the test year and true-up questions can be quickly resolved, the Commission will require the other parties to promptly state their positions regarding MGU's test year proposal.

***Hearing Dates, Customer Notice, and Prehearing Conference:***

The Commission will schedule an evidentiary hearing in this order and will reserve dates for a true-up hearing. By establishing the hearing dates now, the Commission will ensure that this matter is heard as expeditiously as possible. Additionally, the early establishment of the hearing dates will allow ample time for notice to be sent to customers. The Company must give notice to customers as directed in the ordered paragraphs below.

The Commission will also set an early prehearing conference and require the parties to file a proposed procedural schedule, with additional filing dates for testimony, a second prehearing conference, the statement of issues, the position statements of the parties and/or pretrial briefs, and the reconciliation. Staff will have primary responsibility for

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<sup>1</sup> Prefiled Direct Testimony of Kent D. Taylor, p. 3; see also attached Schedule KDT-4.

preparing the proposed procedural schedule, but should coordinate the proposed schedule with the other parties as much as possible.

In addition, the Commission will direct the parties to file recommendations as to the number, date, time and location of local public hearings to be held in this matter. Local public hearings should not be scheduled until at least one week has passed after the filing of all direct testimony; that is, both revenue requirement and rate design.

***Notice and Intervention:***

The Commission's Data Center shall serve a copy of this order upon the county commission of each county in the MGU's service area, as well as upon every party to MGU's last natural gas rate case. In addition, the Commission's Public Information Office shall make notice of this order available to the media serving MGU's service area and to the members of the General Assembly representing the residents of MGU's service area. The Commission finds that proper persons should be allowed 20 days from the issuance of this order to file an application to intervene.

**IT IS ORDERED THAT:**

1. The proposed natural gas service tariff sheets submitted under Tariff File No. JG-2008-0138, on August 29, 2007, by Missouri Gas Utility, Inc., for the purpose of increasing rates for natural gas service to its customers, are suspended for 120 days, from September 28, 2007, to January 26, 2008. The specific sheets suspended are:

**P.S.C. Mo. No. 1**

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**First Revised Sheet No. 5, Cancelling Original Sheet No. 5**  
**First Revised Sheet No. 9, Cancelling Original Sheet No. 9**  
**First Revised Sheet No. 10, Cancelling Original Sheet No. 10**  
**First Revised Sheet No. 11, Cancelling Original Sheet No. 11**  
**First Revised Sheet No. 12, Cancelling Original Sheet No. 12**  
**First Revised Sheet No. 13, Cancelling Original Sheet No. 13**  
**First Revised Sheet No. 15, Cancelling Original Sheet No. 15**

**First Revised Sheet No. 16, Cancelling Original Sheet No. 16**  
**First Revised Sheet No. 17, Cancelling Original Sheet No. 17**  
**First Revised Sheet No. 19, Cancelling Original Sheet No. 19**  
**First Revised Sheet No. 20, Cancelling Original Sheet No. 20**  
**First Revised Sheet No. 21, Cancelling Original Sheet No. 21**  
**First Revised Sheet No. 24, Cancelling Original Sheet No. 24**  
**Third Revised Sheet No. 51, Cancelling Second Revised Sheet No. 51**  
**First Revised Sheet No. 53, Cancelling Original Sheet No. 53**  
**Original Sheet No. 53A**  
**First Revised Sheet No. 54, Cancelling Original Sheet No. 54**  
**First Revised Sheet No. 55, Cancelling Original Sheet No. 55**  
**First Revised Sheet No. 82, Cancelling Original Sheet No. 82**

2. The proposed natural gas service tariff sheets suspended for 120 days in ordered paragraph 1, above, under Tariff File No. JG-2008-0138, are suspended an additional six months beyond January 26, 2008 to July 26, 2008, unless otherwise ordered by the Missouri Public Service Commission.

3. Any proper person or entity wishing to intervene shall file an application to intervene no later than September 26, 2007, with:

Colleen M. Dale, Secretary  
Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, Missouri 65102-0360

and send copies to:

Dean L. Cooper  
BRYDON, SWEARENGEN & ENGLAND, P.C.  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, Missouri 65102-0456

Attorney for Missouri Gas Utility, Inc.

and to:

Office of the Public Counsel  
Post Office Box 2230  
Jefferson City, Missouri 65102-2230

4. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any persons or entities requesting intervention shall file, on or before October 1, 2007, a pleading either indicating concurrence in Missouri Gas Utility, Inc.'s recommended test year or recommending alternatives to that test year.

5. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any intervenors shall file, on or before October 1, 2007, a pleading offering a recommendation concerning a true-up.

6. An early prehearing conference shall be held on October 10, 2007, at 9:00 a.m. The early prehearing conference will be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

7. The parties shall file a proposed procedural schedule on or before October 17, 2007. The Staff of the Missouri Public Service Commission shall have the primary responsibility for preparing and filing the proposed procedural schedule.

8. The Missouri Public Service Commission will conduct local public hearings on the proposed rate increase and will set the times, dates, and locations of these local public hearings in a subsequent order. The parties shall file recommendations as to the times, dates and locations for local public hearings regarding the proposed rate increases on or before October 17, 2007.

9. An evidentiary hearing is scheduled for March 17, through March 21, and March 24 through March 28, 2008, beginning at 8:30 a.m. April 7-8, 2008, are reserved for a true-up hearing, if such a hearing is ordered. The evidentiary hearing and any true-up hearing required will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

10. Because the deadline for completion of the hearing process is fixed by law, the Commission is unwilling to continue the scheduled hearing at the last minute to allow the parties more time to negotiate a settlement. Therefore, the parties are put on notice that the Commission will not grant a motion for continuance of the hearing filed less than a month before the beginning of the hearing unless a stipulation and agreement is filed along with the motion for continuance.

11. Missouri Gas Utility, Inc. shall notify each affected customer of the scheduled hearings. The form and time of the notice shall be agreed upon by the parties and shall be filed for the Commission's approval no later than October 17, 2007.

12. The Commission's Data Center shall serve a copy of this order upon the county commission of each county in Missouri Gas Utility, Inc.'s service area, and upon every party to Missouri Gas Utility, Inc.'s last natural gas rate case.

13. The Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing the residents of Missouri Gas Utility, Inc.'s Missouri service area and to the news media serving the residents of Missouri Gas Utility, Inc.'s Missouri service area.

14. All hearings in this case, as well as the pre-hearing conference, will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate, please call the Missouri Public Service Commission's Hotline at 800-392-4211 (voice) or Relay Missouri at 711 before the event.

15. This order shall become effective on September 6, 2007.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

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 6th day of September, 2007.