

**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**

**STAFF RESPONSE TO ORDER  
DIRECTING NOTICE, SUSPENDING TARIFF,  
SETTING HEARINGS, AND DIRECTING FILINGS**

1. On August 29, 2007, Missouri Gas Utility, Inc. ("MGU"), submitted to the Missouri Public Service Commission tariff sheets, proposing to implement a general rate increase for natural gas service to customers in its Missouri service area.

2. In its September 6 Order Directing Notice, Suspending Tariff, Setting Hearings, and Directing Filings, the Commission Ordered the tariffs be suspended to July 26, 2008, unless otherwise ordered by the Commission.

3. The Commission further ordered Staff to 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.

4. The Company proposed a test year ending March 31, 2007, updated for certain known and measurable changes related to the Landmark customer addition.

5. The Staff concurs in use of this twelve-month period ending March 31, 2007 as the test year for this case.

6. Staff will further update its test-year audit results for known and measurable changes to material revenue requirement components from April 1 to Sept. 30, 2007, which is the Staff's proposed test year update period.

7. The Company did not propose a true-up in its direct filing. At this time, the Staff does not believe a true-up is necessary for this filing, but reserves the right to address this matter further in its direct testimony if, as a result of its audit, the Staff reaches a different conclusion as to the appropriateness of a true-up audit.

WHEREFORE Staff requests the Commission accept this pleading in compliance with its September 6 Order.

Respectfully submitted,

**/s/ Lera L. Shemwell**

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### **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 1st day of October 2007.

**/s/ Lera L. Shemwell**