

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

In the Matter of Missouri Gas Utility, Inc.'s	)	
Purchased Gas Adjustment (PGA) Factors	)	<b><u>Case No. GR-2006-0200</u></b>
to be Audited in Its 2004-2005 Actual Cost	)	Tariff No. JG-2006-0346
Adjustment	)	

**ORDER APPROVING INTERIM RATES**

Issue Date: November 18, 2005

Effective Date: November 21, 2005

On November 4, 2005, Missouri Gas Utility, Inc., filed a proposed tariff sheet setting interim rates pursuant to the Purchased Gas Adjustment Clause contained in its tariffs for service rendered on and after November 21, 2005. Missouri Gas Utility filed a substitute tariff sheet on November 8 to correct a typographical error. This scheduled PGA filing reflects changes in the estimated cost of natural gas for the upcoming winter heating season of November through March. The proposed interim rates will increase Missouri Gas Utility's PGA factor from \$0.7164 per Ccf to \$0.9274 per Ccf.

The Commission's Staff filed its Memorandum and Recommendation on November 15, 2005. Staff indicates that the proposed tariff sheet has been correctly calculated and that it complies with the PGA clause in Missouri Gas Utility's Commission-approved tariffs. According to Staff, the increase proposed by Missouri Gas Utility reflects an estimated change in the cost of natural gas for the next several months. Staff states that last winter, when the weather was somewhat warmer than normal, a typical residential customer used 607 Ccf of gas, at a cost of \$662. For this upcoming winter, the same

customer, assuming normal weather, will use 663 Ccf of gas, at a cost of \$845. This is an increase of 28% over last winter.

Staff recommends that Missouri Gas Utility's proposed tariff be approved and indicates that because Missouri Gas Utility's PGA clause allows for PGA change filings to take effect on ten days' notice, good cause has been shown pursuant to Section 393.140(11), RSMo 2000, to permit the tariff to become effective on less than 30 days' notice. Staff recommends that the rates be approved on an interim basis, subject to refund.

Staff also states that it is closely monitoring the natural gas market and that it will notify Missouri Gas Utility if, in its opinion, its PGA should be reduced. Staff also states that it will undertake a review of the prudence of Missouri Gas Utility's gas purchasing practices during the ACA phase of this case. Finally, Staff notes that a working docket has been established, Case No. GW-2006-0110, in order to review the procurement and hedging practices of Missouri's natural gas utilities, including Missouri Gas Utility.

The Commission has reviewed the proposed tariff sheet and Staff's Memorandum and Recommendation. The Commission finds that the proposed tariff sheet was calculated and filed in conformance with Missouri Gas Utility's Commission-approved PGA Clause. The Commission further finds that the circumstances constitute good cause pursuant to Section 393.140(11), RSMo 2000, such that the tariff should be allowed to become effective on less than 30 days' notice. Based on Staff's recommendation and the Commission's finding of good cause, the Commission concludes that the proposed tariff sheet will be approved to become effective on the requested effective date of November 21, 2005, on an interim basis, subject to refund.

**IT IS THEREFORE ORDERED:**

1. That the proposed tariff sheet filed on November 4, 2005, by Missouri Gas Utility, Inc., is approved, as substituted, on an interim basis, subject to refund, for service rendered on and after November 21, 2005. The tariff sheet approved is:

**P.S.C. MO. No. 1**  
**1<sup>st</sup> Revised Sheet No. 51, Canceling Original Sheet No. 51**

2. That this order shall become effective on November 21, 2005.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

Morris L. Woodruff, Senior Regulatory  
Law Judge, by delegation of authority  
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 18th day of November, 2005.