

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

**In the Matter of Missouri Gas Utility, )  
Inc.'s Purchased Gas Adjustment )  
(PGA) Factors to be Audited in its )  
2006-2007 Actual Cost Adjustment . )**

**Case No. GR-2008-0136**

**STAFF RESPONSE TO MISSOURI GAS UTILITY'S  
RESPONSE TO STAFF'S RECOMMENDATION**

COMES NOW the Staff of the Commission and submits its Response to Missouri Gas Utility's Response to Staff's Actual Cost Adjustment Filing.

1. Staff filed its Report concerning Missouri Gas Utility, Inc.'s (MGU or Company) 2006-2007 Actual Cost Adjustment (ACA) filing on November 9, 2007.

2. The Commission issued its Order Approving Interim Rates on November 16, 2007.

3. On July 14, 2008, after completing its review of the Company's billed revenues, actual gas costs, reliability planning procedures, and hedging activities for the period of September 1, 2006, through August 31, 2007, Staff filed its Recommendation.

4. On July 16, 2008, the Commission issued its Order Directing Filing in which it Ordered the Company to respond to Staff's Recommendation.

5. On August 14, 2008, MGU responded to Staff's recommendation.

6. The Company agreed with Staff's recommendations except Staff's recommendation gas costs be reduced by \$17,185 related to the cost of interest charges on funds used for gas placed in storage.

7. Staff recommends the Commission set this matter for a prehearing conference to determine whether this matter may be resolved. If it is convenient

for the Commission, Staff suggests the week of October 6 for the conference, and, since there may be some attending by phone from Colorado, a start time of 10 am would work well.

8. If the matter cannot be resolved, the Parties may be ordered to establish a hearing schedule for presentation to the Commission for determination of this issue.

WHEREFORE Staff recommends the Commission set the date for a prehearing conference sometime during the week of October 6 to determine whether this matter may be settled.

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, transmitted by facsimile or electronically mailed to all counsel of record this 9<sup>th</sup> day of September 2008.

**/s/ Lera L. Shemwell**