

**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)	Case No. GR-2009-0161
2007-2008 Actual Cost Adjustment.)	
)	

STAFF RECOMMENDATION

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

1. On October 29, 2008, Missouri Gas Utility (MGU or Company) filed a tariff sheet to change MGU's Purchased Gas Adjustment (PGA) rates. MGU seeks an effective date of November 12.

2. Missouri Gas Utility, Inc. (MGU) is a Colorado Corporation, and is a subsidiary of Summit Utilities, Inc., located in Littleton, Colorado. It serves communities in and around Gallatin and Hamilton Missouri.

3. These changes increase the PGA rate which was effective on April 15, 2008, from \$0.7039 per hundred cubic feet (Ccf) to \$0.8816 per Ccf. Unlike other utility companies, MGU did not make a rate adjustment this past summer.

4. The PGA rate for the 2007-2008 winter season was \$0.7291 per Ccf. Based on average winter usage, a Residential customer's bill for the five month heating season is expected to be approximately \$99 higher this year than last year.

5. Staff recommends approval of this rate change, only on an interim, subject to refund basis pending final Commission decisions in ACA Case Nos. GR-2009-0161 and GR-2008-0136.

6. Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2009.

WHEREFORE Staff recommends the Commission approve this tariff filing with the rates approved on an interim subject-to-refund basis to be effective on November 12.

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 4th day of November 2008.

/s/ Lera L. Shemwell