

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 4<sup>th</sup> day of  
December, 2008.

In the Matter of Missouri Gas Utility, Inc.'s	)	
Purchased Gas Adjustment (PGA) Factors to be	)	<b><u>Case No. GR-2008-0136</u></b>
Audited in its 2006-2007 Actual Cost Adjustment.	)	

**ORDER APPROVING STIPULATION AND AGREEMENT**

Issue Date: December 4, 2008

Effective Date: December 14, 2008

This case was opened on November 1, 2007, to receive the 2006-2007 Actual Cost Adjustment (ACA) filing of Missouri Gas Utility (hereafter "MGU"). After receiving a favorable Recommendation from the Staff of the Commission (hereafter "Staff"), the Commission approved interim rates on November 16, 2007.

On July 14, 2008, Staff filed another recommendation. Staff proposed some adjustments with which MGU disagreed, so the Commission convened a prehearing conference on October 8, 2008.

On November 24, 2008, Staff, MGU and the Office of the Public Counsel filed a Stipulation and Agreement. The parties agreed as follows:

1. MGU agrees to not request recovery of interest charges on its storage balance in the 2007-2008 ACA period, Case No. GR-2009-0161.
2. For the 2006-2007 and 2007-2008 ACA periods, the appropriate PGA/ACA eligible Gas Costs are those which are properly included in FERC Account Nos. 800, 801,

802, 803, 804, 805, 806, 808, 809, and 811. Account 191 ultimately reflects the impact of gains and losses from financial hedges of gas costs.

3. For these ACA periods, interest expenses recorded in FERC Accounts 427, 428, 429, 430 or 431 (the interest accounts) are not PGA/ACA eligible gas costs, except for interest paid or received on the ACA balance.

4. MGU will establish its August 31, 2007 ACA account balance as shown in the table below:

	Stipulation and Agreement ACA Balance
Beginning ACA Balance @ 9/1/2006 – (Over-recovered)/Under-recovered	\$ (78,153)
MGU Total Cost of Gas	\$639,542
Total Cost Recovery	\$(644,559)
Ending ACA Balance @ 8/31/2007 – (Over-recovered)/Under-recovered	\$(83,170)

After reviewing the parties' Stipulation and Agreement, the Commission concludes that the Stipulation and Agreement is reasonable, and should be accepted as a resolution of MGU's 2006-2007 ACA audit.

**THE COMMISSION ORDERS THAT:**

1. The Stipulation and Agreement is approved, and the parties shall comply with the Stipulation and Agreement.

2. This order shall become effective December 14, 2008.
3. This case shall be closed on December 15, 2008.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written in a cursive style.

Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, Clayton, Jarrett,  
and Gunn, CC., concur.

Pridgin, Senior Regulatory Law Judge