

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 18th of June,  
2009.

In the Matter of Missouri Gas Utility, Inc.'s	)	
Purchased Gas Adjustment (PGA) Factors to be	)	<b><u>File No. GR-2009-0161</u></b>
Audited in its 2007-2008 Actual Cost Adjustment	)	

**ORDER ADOPTING STAFF RECOMMENDATIONS AND  
ESTABLISHING ACA BALANCE**

Issue Date: June 18, 2009

Effective Date: June 28, 2009

This case was opened to receive the 2007-2008 Actual Cost Adjustment (ACA) filing of Missouri Gas Utility, Inc. On May 5, 2009, the Staff of the Commission filed a recommendation and memorandum indicating that Staff has completed an analysis and evaluation of billed revenues and actual gas costs for the period September 1, 2007, through August 31, 2008, included in Missouri Gas Utility's computation of its ACA rate. Staff also conducted a reliability analysis and a hedging review for Missouri Gas Utility. In addition, Staff reviewed Missouri Gas Utility's gas purchasing practices to determine the prudence of its purchasing decisions.

Staff did not recommend that the Commission make any adjustments to the company's ACA account balances. However, Staff recommended that Missouri Gas Utility take several actions regarding the company's hedging practices, reliability analysis and gas supply planning, monitoring of its ACA balance, and tariff modifications relating to billing error adjustments.

On May 11, the Commission directed Missouri Gas Utility to respond to Staff's recommendations by June 10. Missouri Gas Utility filed its response on June 10, indicating

that it accepts Staff's recommendations.

After reviewing Staff's recommendations and Missouri Gas Utility's response, the Commission concludes that Missouri Gas Utility shall implement Staff's recommendations.

**THE COMMISSION ORDERS THAT:**

1. Missouri Gas Utility, Inc. shall establish the following ACA account balance in its next ACA filing to reflect the August 31, 2008 (over)/under-recovered ACA balance:

	Company's ACA Balance	Staff Adjustments	Staff Recommended ACA Balance
Beginning ACA Balance @ 9/1/2007 – (Over-recovered) / Under-recovered	\$(83,170)	\$ 0	\$(83,170)
Total Cost MGU Gas Delivered to City Gate	\$1,296,472	\$ 0	\$1,296,472
Total Cost Recovery	\$(1,067,379)	\$ 0	\$(1,067,379)
Ending ACA Balance @ 8/31/2008 – (Over-recovered / Under-recovered	\$145,923	\$ 0	\$145,923

2. Missouri Gas Utility, Inc. shall comply with the recommendations offered by Staff in its Recommendation and Memorandum filed on May 5, 2009.

3. This order shall become effective on June 28, 2009.

4. This case shall be closed on June 29, 2009.

**BY THE COMMISSION**

(S E A L)



Colleen M. Dale  
Secretary

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

Woodruff, Deputy Chief Regulatory Law Judge