

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)
2007-2008 Actual Cost Adjustment)

Case No. GR-2009-0161
Tariff No. YG-2009-0304

ORDER APPROVING INTERIM RATES

Issue Date: November 6, 2008

Effective Date: November 12, 2008

On October 29, 2008, Missouri Gas Utility (MGU or Company) filed tariff sheets proposed to become effective November 12, 2008. The tariff sheets were filed to reflect required changes in MGU's Purchased Gas Adjustment (PGA) factors for all of its territories as the result of an estimated change in the cost of natural gas for the winter season.

Implementation of the tariff rates results in changes in gas costs for the MGU System (serving communities such as Hamilton and Gallatin), the net effect of this filing will increase the PGA rate factor, effective on April 15, 2008, from \$0.7039 per hundred cubic feet (Ccf) to \$0.8816 per Ccf. The PGA rate for the 2007-2008 winter season was \$0.7291 per Ccf. Based on average winter usage, a residential customer's bill is expected to be approximately \$99 higher than last year, or an approximate 14% increase.

The Commission's Staff filed its Memorandum and Recommendation on November 4, 2008. In its Memorandum and Recommendation, Staff supports the

change in the costs, in that any rate change at this time is subject to true-up in the ACA process. Staff notes that, because MGU'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 tariffs to become effective on less than 30 days' notice. Staff recommends that the rates be approved on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2008-0136 and GR-2009-0161.

Staff also recommends the Commission grant all other relief requested by the Procurement Analysis Department in Staff's Recommendation Memorandum of the November 4, 2008 Staff Recommendation, to wit: permit Staff to submit its results and recommendation regarding the information included in this ACA filing to the Commission on or before December 31, 2009.

The Commission has reviewed the proposed tariff sheets and Staff's Memorandum and Recommendation. The Commission finds that the proposed tariff sheets conform to the Company's Commission-approved PGA Clause. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes that the proposed tariff sheets should be approved to become effective on November 12, 2008, on an interim basis, subject to refund, subject to refund pending final Commission decisions in Case Nos. GR-2008-0136 and GR-2009-0161.

THE COMMISSION ORDERS THAT:

1. The proposed tariff sheets filed on October 29, 2008, by Missouri Gas Utility are approved on an interim basis, subject to refund, subject to refund pending final

Commission decisions in Case Nos. GR-2008-0136 and GR-2009-0161, for service rendered on and after November 12, 2008. The specific tariff sheets approved are:

P.S.C. MO. No. 1

5th Revised Sheet No. 51, Canceling 4th Sheet No. 51

2. This order shall become effective on November 12, 2008.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Colleen M. Dale, Chief Regulatory
Law Judge, by delegation of authority
Pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri
on this 6th day of November, 2008.