

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

In the matter of the application of Missouri Gas	)	
Utility, Inc., for authority to enter into certain debt	)	
instruments and to issue up to and including	)	
\$5,500,000 of bonded indebtedness, in one or	)	Case No. GF-2009-0331
more transactions, and to, among other things,	)	
execute and deliver a mortgage and security	)	
agreement to secure said indebtedness.	)	

**APPLICANT'S NOTICE OF LETTER OF CREDIT**  
**BANK SUBSTITUTION**

COMES NOW Missouri Gas Utilities ("MGU" or the "Company") and submits the following notice concerning certain non-material changes to bonded debt instruments:

1. MGU filed its Application in this case on March 11, 2009. The Commission issued an Order Granting Financing Application on June 3, 2009, granting the relief requested by MGU subject to a number of conditions recommended by the Commission's Staff.

2. The Application described a debt financing arrangement and submitted for the Commission's review and approval a number of financing documents, the collective purpose of which is to facilitate the issuance of a letter of credit (LOC) by a commercial banking institution on behalf of MGU. The commercial bank was identified as US Bank. The proceeds derived from the bonded indebtedness are intended to provide permanent financing for the Company's "Warsaw Project" service area expansion certificated by the Commission in Case No. GA-2009-0264.

3. The terms and conditions for the letter of credit as proposed by US Bank were not acceptable to Summit and MGU. Consequently, MGU contacted other financial institutions in an effort to secure more favorable terms. That effort resulted in an agreement with UMB Bank, n.a. (“UMB”) as the LOC Bank in lieu of US Bank.

4. UMB’s credit quality (A Stable) is comparable to that of US Bank (AA-). Also, under current market conditions UMB is able to offer a 25 basis point advantage over that of US Bank.

5. UMB has agreed to use the forms of financing documentation presented to the Commission with only minor modifications such as the substitution of the LOC Bank name and a change to a loan conversion feature which is more favorable to MGU than the original term.<sup>1</sup>

6. The expectation is that this financing will close within 30 to 45 days.

7. MGU believes the changes described above are non-material in nature, are fully consistent with the nature and scope of authority already granted by the Commission and do not require any further authority or action on the part of the Commission. Nevertheless, to keep the Commission fully informed as to the financing, MGU is filing this Notice of Letter of Credit Bank Substitution.

8. MGU has briefed representatives of the Commission’s Staff on the matters described above.

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<sup>1</sup> MGU also intends to pursue a mandatory tender of the 2008 bonds issued in connection with the authority granted in Case No. GF-2009-0057 to effect the same changes with respect to that series of bonds and supporting agreements. As such, MGU will file a separate notice in that docket to memorialize the circumstances.

Respectfully submitted,

/s/ Paul A. Boudreau  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail, electronic mail or hand delivery, on the 26<sup>th</sup> day of August, 2009, to the following:

Robert S. Berlin  
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/s/ Paul A. Boudreau  
Paul A. Boudreau