

# MISSOURI GAS UTILITY, INC.

Natural Gas Affordability Update  
2005 – 2006 Winter

Presented to the Missouri Public Service Commission  
October 18, 2005

# Agenda

- Introduction – Tim Johnston, Sr. VP
- Description of MGU
- Gas Supply Plan
- Rate Impact and Projected PGA/ACA
- Low Income Programs
- Flexible Payment Options
- Communications Plan
- Summary

# Introduction

- Tim Johnston, P.E.  
Senior Vice President,  
CNG Holdings, Inc.

# Description of MGU

- MGU serves the towns of Gallatin, Hamilton and Coffey and the surrounding rural areas
- CNG Holdings, Inc. formed MGU on January 1, 2005, from the Gallatin and Hamilton municipal systems, which were in receivership at the time of acquisition
- MGU has grown from 782 customers at acquisition to the current 863 customers

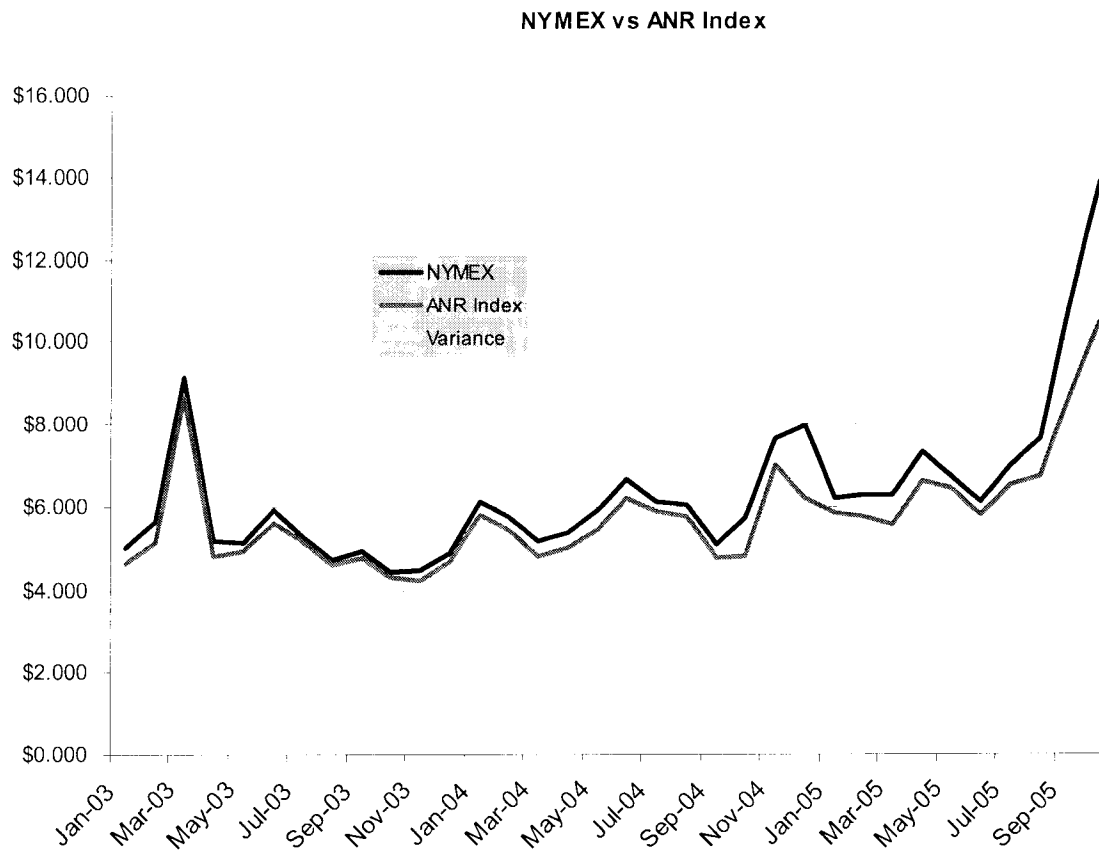
# Gas Supply Plan

- Gas Supply Plan outlined in Status Report on Gas Purchases in Case No. GO-2005-0120 dated May 20, 2005
- Variation from the Plan as a result of the behavior of the natural gas market from June through September, 2005

# Gas Supply Plan cont.

- Current Supply Options and Estimated Costs
  - Physical Market Purchases for Daily Consumption and Injection into Storage
  - Purchases “Locked In” based on NYMEX less a differential basis

# Gas Supply Plan cont.



# Projected PGA/ACA

- Projected PGA based on Physical Market Purchases \$1.17/CCF
- Projected PGA based on NYMEX Purchases \$1.41/CCF
- ACA Adjustment (\$0.04/CCF)
- Estimated Commodity Costs for MGU Customers \$1.13/CCF



# Low Income Programs

- LIHEAP and Weatherization Assistance
- Community Action Agency for Service Area 8 – Green Hills Community Action Agency
- Local Offices in Hamilton and Gallatin

# Flexible Payment Options

- Level Monthly Payment Program
  - Currently 57 customers on Plan, 6.6%
- Payment Plans
  - Interest Free
  - Currently 4 customers on payment plans

# Communications Plan

- Gas Price Increase Letter to all customers dated September 22, 2005
- PGA/ACA letter anticipated October 28, 2005
- Gas Price Increase reminder letter inserted with the November bills

# Summary

- Commitment of MGU to work towards lower gas costs
- Commitment of MGU to assist our Low Income customers
- Commitment to continue to communicate with the Commission and our customers