Missouri Gas Utility, Inc.

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November 4, 2005

Secretary / Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65102

Re: Missouri Gas Utility, Inc. (MGU) First PGA Filing

Attached is the electronic copy of P.S.C. MO No.1, 1st Revised Sheet 51, reflecting a change in the Purchased Gas Cost, the Actual Cost Adjustment, and Total PGA for each of the various Schedules listed in the MGU Purchased Gas Adjustment (PGA) Clause.

The MGU Purchased Gas Adjustment Clause requires the filing, between October 15 and Nov 4 each year, of the Regular Purchased Gas Adjustment (RPGA), which is defined on P.S.C. MO No.1, Original Sheet 47 as the Company's best estimate of the volumes and gas costs for the next period from the date of the first full billing after the filing is approved until the date of the first full billing after approval of a subsequent PGA filing. The Clause also requires filing a reconciliation of the PGA cost from the prior period with the actual costs incurred, and from that information and the projected volumes, the calculation of the annual Actual Cost Adjustment. The clause also includes provisions for Adjustments based on upstream pipeline Refunds and on Take-Or-Pay (T.O.P.) costs. MGU did not receive any Refunds or incur any T.O.P. costs during the past PGA period.

Attachment 1 is the spreadsheet used to calculate the RPGA for the next PGA period.

Attachment 2 is the spreadsheet used to calculate the Actual Cost Adjustment balance by month for the prior PGA period, along with the amortization of that balance over the next PGA period volumes.

Attachment 3 is the spreadsheet that reflects the seasonal revenue impact of the change in Total PGA between 2004/2005 and 2005/2006. Please note that MGU did not begin operations until January 1, 2005, so the figures for November and December, 2004 are estimates based on the gas costs in the former municipal operator's costs. The seasonal revenue impact is an increase of $116,272, or 27.21%.

Missouri Gas Utility, Inc. respectfully requests that these rates become effective for volumes sold on and after November 21, 2005.

Sincerely,

Tim Johnston, P.E.
Senior Vice President
Missouri Gas Utility, Inc.

Attachment 1

RPGA Calculation Spreadsheet

Missouri Gas Utility, Inc.

ANR STS Commodity Charge	$0.9135 per Dth
ANR Fuel, SWHS to City Gate	3.77%
ANR Fuel, SWHS to Storage	4.55%
ANR Storage Injection Fuel	1.04%
ANR Storage Withdrawal Fuel	1.14%
BTU Factor, 12 month average	1.0326
STS Contract Storage Capacity	55,000 Dth

	November	December	January	February	March	April	May	June	July	August	September	October	Totals
Monthly Usage, MCF	8,812	13,449	18,796	13,970	8,581	3,454	1,651	1,171	1,006	1,091	1,794	2,500	76,275
First of Month Storage Balance Estimate, MCF	5,150	16,250	22,805	17,393	14,858	11,974	21,768	33,349	45,405	56,681	56,724	56,820	
Storage Balance as a Percentage of Capacity	9.36%	29.55%	41.46%	31.62%	27.01%	21.77%	39.58%	60.63%	82.56%	103.06%	103.13%	103.31%	
Gas Delivered from Storage, MCF	2,644	4,035	10,025	8,382	6,865	1,842	881	625	570	1,047	1,674	1,833	40,422
Weighted Average Cost of Gas in Storage / MCF	$9.97	$9.44	$9.49	$9.51	$9.48	$9.23	$8.92	$8.83	$8.78	$8.77	$8.77	$8.76	
Cost of Gas Delivered from Storage to City Gate	$26,661	$38,541	$96,279	$80,597	$65,797	$17,202	$7,946	$5,577	$5,065	$9,288	$14,847	$16,253	$384,052
Total Monthly Purchased Gas Volume, MCF	21,000	21,000	14,000	12,000	6,000	14,000	14,000	14,000	13,000	1,200	2,000	8,000	140,200
Monthly Purchase Gas Delivered, MCF	6,168	9,414	8,771	5,588	1,716	1,612	770	546	436	44	120	667	35,853
Estimated Daily Average ANR SW Price	$7.62	$7.83	$7.81	$7.71	$7.09	$7.00	$7.02	$7.02	$7.05	$7.06	$7.06	$7.06	
Average Cost of Monthly Gas Purchase / MCF	$9.16	$9.38	$9.36	$9.26	$8.58	$8.49	$8.51	$8.51	$8.55	$8.55	$8.55	$8.55	
Cost of Gas Delivered from SWHS to City Gate	$56,483	$88,310	$82,126	$51,728	$14,730	$13,690	$6,559	$4,650	$3,726	$373	$1,023	$5,701	$329,101
Monthly Purchase Gas Injected into Storage, MCF	13774	10590	4612	5847	3981	11636	12462	12681	11846	1090	1771	6899	97,188
Average Cost of Injected Gas / MCF	$9.33	$9.55	$9.54	$9.43	$8.74	$8.65	$8.67	$8.67	$8.71	$8.71	$8.71	$8.71	
Total Monthly Cost of Gas Delivered	$83,144	$126,850	$178,405	$132,325	$80,527	$30,893	$14,505	$10,227	$8,791	$9,661	$15,870	$21,954	$713,152
Average Cost of Gas Delivered to Cuty Gate	$9.44	$9.43	$9.49	$9.47	$9.38	$8.94	$8.79	$8.73	$8.74	$8.86	$8.85	$8.78	
												RPGA	**$9.35**

Note 1: Estimated Daily Average ANR SW Price was estimated from a numerical analysis of the differential between that price and the NYMEX monthly closing numbers over the period from Jan 03 through Oct 05, then this formula was applied to the NYMEX futures for this PGA period.

Note 2: Storage Balance must be under 20% of Storage Capacity on April 1 of each year.

Note 3: The RPGA is the weighted average cost of gas delivered to the City Gate.

Missouri Gas Utilities, Inc.
Estimated Deferred Carrying Cost Balance (DCCB) Calculation
2004 - 2005 ACA Year
Attachment 2

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Sales Volumes (in CCF)	12,652	8,614	7,000	3,518	1,344	629	452	635	34,844
Cost of Gas Purchased and Produced	87,596	61,291	50,336	25,689	10,136	4,750	3,424	4,999	248,221
PGA - Estimated Annualized Unit Cost of Gas	7.290000	7.290000	7.290000	7.290000	7.290000	7.290000	7.290000	7.290000	
Actual Annualized Unit Cost of Gas	6.923490	7.115277	7.190857	7.302160	7.541667	7.551669	7.575221	7.866608	
Difference	0.366510	0.174723	0.099143	-0.0121603	-0.2516667	-0.261669	-0.285221	-0.576608	
Actual Sales Volumes	12,652	8,614	7,000	3,518	1,344	629	452	635	
DCCB Monthly Over/(Under) Recovery	4,637	1,505	694	(43)	(338)	(165)	(129)	(366)	
2004-05 DCCB Yr to Date Over/(Under) Recovery	4,637	6,142	6,836	6,793	6,455	6,291	6,162	$\boxed{5,795}$	
10% of average annual gas cost threshold (Note 1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Absolute Value Recovery Balance that exceeds threshold	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Over/(Under) Recovery Balance that exceeds 10% threshold	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Interest at Prime Rate - Wall Street Journal - 2%	3.25%	3.50%	3.50%	3.75%	4.00%	4.00%	4.25%	4.50%	
Carrying Costs Refunded/(Collected) (Note 2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
DCCB Percent of Avg Annual Gas Costs (Note 1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Actual Cost Adjustment for the PGA Winter Filing, Nov 4, 2005 ($0.0760) per MCF ($0.0076) per CCF

Note 1 - Missouri Gas Utilities, Inc. began operation of system January, 2005

Note 2 - Interest charges applicable only if ACA balance is greater than $50,000 per P.S.C. MO No. 1 Sheet No. 46

Attachment 3

2005-2006 Winter Season revenue Impact from Winter PGA Filing
Missouri Gas Utility, Inc.

Month	PGA Factor	Month	PGA Factor	PGA Change	Revenue Impact (Winter Season)
Nov-04	6.95	Nov-05	7.29	0.34	$2,996
Dec-04	6.95	Dec-05	9.274	2.32	$31,252
Jan-05	7.29	Jan-06	9.274	1.98	$37,287
Feb-05	7.29	Feb-06	9.274	1.98	$27,713
Mar-05	7.29	Mar-06	9.274	1.98	$17,023

Estimated Winter Season Change in Revenue **$116,272**

Percent Change between PGA Factors **27.21%**

Note: The November and December changes were partially offset for customers by the reduction in the commodity charge from $3.50/MCF to $3.07/MCF when MGU purchased these systems from Gallatin and Hamilton.