



MISSOURI GAS ENERGY

3420 Broadway - Kansas City, MO - 64111-2404 - (816) 756-5261

October 16, 2007

Secretary of the Commission
Missouri Public Service Commission
P.O. Box 360
200 Madison Street
Jefferson City, MO 65102-0360

RE: Case No. GR-2007-0256, Missouri Gas Energy

Attached for filing on behalf of Missouri Gas Energy is an electronic version of P.S.C. MO. No. 1, Fourteenth Revised Sheet No. 24.3, canceling Thirteenth Revised Sheet No. 24.3. This tariff sheet bears an issue date of October 16, 2007, and a proposed effective date of November 1, 2007.

By this filing, MGE proposes to make its scheduled November adjustment to the Purchased Gas Adjustment (PGA) Rate as permitted under the provisions of Sheet No. 15 of MGE's tariff. MGE is proposing to adjust the Current Cost of Gas Factor (C.C.G.) and Actual Cost Adjustment Factor (A.C.A.).

The proposed PGA Rate of \$0.82121 reflects an increase of \$0.03330 per Ccf over the PGA Rate currently in effect of \$0.78791. The change in the PGA Rate reflects a decrease in the C.C.G. Factor of \$0.03214 per Ccf, from the current C.C.G Factor of \$0.86889 to the proposed amount of \$0.83675. Also, the proposed PGA Rate reflects an increase in the A.C.A. Factor of \$0.06544 per Ccf, from the current A.C.A. Factor of (\$0.08098) to the proposed amount of (\$0.01554). Included in the A.C.A. Factor change in this filing is a refund of \$1,069,996.98 (for the period October 1, 2005 through June 30, 2007) to reflect the discount preservation provision included as paragraph 6.A. and Appendix 2 of the Stipulation and Agreement approved by the Commission in Case No. GM-2003-0238. Similarly, the C.C.G. Factor included in this PGA Rate reflects that discount preservation provision on a going forward basis.

The proposed adjustment has the overall net effect of increasing revenues in MGE's service area by approximately \$19,271,112 annually. This represents an overall 4.23% increase in revenues.

Workpapers supporting the calculations performed in developing the proposed changes have been provided this date under separate cover letter to the Commission's Staff and The Office of the Public Counsel.

Secretary of the Commission
October 16, 2007
Page 2

Please forward copies of any Commission order or notice associated with this filing to:

Robert J. Hack
Chief Operating Officer
Missouri Gas Energy
3420 Broadway
Kansas City, MO 64111
(816) 360-5755
(816) 360-5536 (fax)
Email : rob.hack@sug.com

Michael Noack
Director, Pricing & Regulatory
Affairs
Missouri Gas Energy
3420 Broadway
Kansas City, MO 64111
(816) 360-5560
(816) 360-5536 (fax)
Email : mike.noack@sug.com

Thank you for bringing this matter to the attention of the Commission and the appropriate Commission personnel.

Sincerely,

By: _____

Michael R. Noack

MRN/wpv
Enclosure

CC: The Office of Public Counsel
General Counsel's Office