Missouri Gas Utility, Inc.

P.O. Box 270868 ▪ Littleton, Colorado 80127 ▪ Phone (303) 979-7680 ▪ Fax (303) 979-7892 ▪ 1-800-927-0787

November 1, 2007

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

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

Attached is the electronic copy of P.S.C. MO No.1, 3rd 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 2006/2007. The seasonal revenue impact is a decrease of $16,545, or 3.46%.

Missouri Gas Utility, Inc. respectfully requests that these rates become effective for volumes sold on and after November 20, 2007.

Sincerely,

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

P.S.C. MO No. 1	3rd Revised Sheet No. 51
Cancelling P.S.C. MO No. 1	2nd Revised Sheet No. 51

Missouri Gas Utility, Inc.
Name of Issuing Company

For: Gallatin, Hamilton, Coffey and Adjacent Certificated Service Areas
Community, Town or City

PURCHASED GAS ADJUSTMENT CLAUSE (CONT'D.)

ADJUSTMENT STATEMENT

As provided in this Purchased Gas Adjustment Clause, the following adjustment(s) per Ccf will be made to the basic natural gas service schedules:

Schedule	Purchased Gas Cost	Actual Cost Adjustment	Refunds	TOP Factor	Total PGA
GS	$.7710+	(.0671)+	0	0	$.7039+
GSI	$.7710+	(.0671)+	0	0	$.7039+
CS	$.7710+	(.0671)+	0	0	$.7039+
CSI	$.7710+	(.0671)+	0	0	$.7039+
LVS	$.7710+	(.0671)+	0	0	$.7039+
LVSI	$.7710+	(.0671)+	0	0	$.7039+
ISS	$.7710+	(.0671)+	0	0	$.7039+

The TOP Factor, as provided in Sheet No. 24, shall also apply to all CCfs delivered to transportation+ customers.

* Indicates New Rate or Text
\+ Indicates Change

Issue Date: November 1, 2007
Month/Day/Year

Effective Date: November 20, 2007
Month/Day/Year

Issued By: Timothy R. Johnston
Vice President
Name and Title of Issuing Officer

7810 Shaffer Parkway, Ste. 120
Littleton, Colorado 80127
Company Mailing Address

Attachment 1

RPGA Calculation Spreadsheet

Missouri Gas Utility, Inc.

ANR STS Commodity Charge	$0.9122 per Dth	ANR Storage Injection Fuel	0.57%	STS Contract Storage Capacity	55,000 Dth
ANR Fuel, SWHS to City Gate	3.03%	ANR Storage Withdrawal Fuel	0.82%		
ANR Fuel, SWHS to Storage	3.80%	BTU Factor, 12 month average	1.0350		

	November	December	January	February	March	April	May	June	July	August	September	October	Totals/Annual
Monthly Usage, MCF	7,971	12,314	15,026	23,793	14,526	8,711	3,095	1,458	1,070	1,013	1,774	4,452	95,203
Monthly Usage, Dth	8,250	12,745	15,552	24,626	15,034	9,016	3,204	1,509	1,108	1,049	1,836	4,608	98,535
Average Daily Usage, Dth	275	411	502	879	485	301	103	50	36	34	61	149	270
Number of Days Gas is Purchased During Month	0	31	31	28	0	20	31	23	0	0	0	21	185
Daily Purchase Volumes, Dth	900	300	300	300	900	900	900	900	500	200	300	500	
Total Monthly Purchased Gas Volume, Dth	0	9,300	9,300	8,400	0	18,000	27,900	20,700	0	0	0	10,500	104,100
Running total for the PGA Period	0	9,300	18,600	27,000	27,000	45,000	72,900	93,600	93,600	93,600	93,600	104,100	
NYMEX Futures Prices	$7.350	$7.992	$8.310	$8.335	$8.160	$7.830	$7.900	$7.980	$8.074	$8.120	$8.150	$8.220	
Estimated Daily Average ANR SW Price, $/Dth	$6.463	$6.904	$7.122	$7.140	$7.019	$6.793	$6.841	$6.896	$6.960	$6.992	$7.013	$7.061	
Monthly Est Purchase	$0	$64,208	$66,239	$59,973	$0	$122,270	$190,860	$142,743	$0	$0	$0	$74,137	
Running total for the PGA period	$0	$64,208	$130,446	$190,419	$190,419	$312,689	$503,549	$646,292	$646,292	$646,292	$646,292	$720,428	
Monthly Purchase Gas Delivered to City Gate from SWHS, Dth	0	12,745	15,552	24,626	0	6,011	3,204	1,157	0	0	0	3,121	66,415
ANR STS Commodity Charge on Gas Delivered to City Gate from SWHS	$0	$11,626	$14,186	$22,464	$0	$5,483	$2,922	$1,055	$0	$0	$0	$2,847	$60,583
ANR Fuel for Gas Delivered to City Gate from SWHS, Dth	0	398	486	769	0	188	100	36	0	0	0	98	2,075
Total Gas Purchased for Delivery to City Gate from SWHS, Dth	0	13,143	16,038	25,395	0	6,198	3,304	1,193	0	0	0	3,219	68,490
Cost of Gas Purchased for Delivery to City Gate from SWHS	$0	$90,741	$114,229	$181,312	$0	$42,104	$22,601	$8,224	$0	$0	$0	$22,726	$481,938
Total Cost of Gas Delivered to City Gate from SWHS	$0	$102,367	$128,415	$203,776	$0	$47,587	$25,524	$9,279	$0	$0	$0	$25,574	$542,522
Price of Gas Delivered to City Gate from SWHS, $/Dth	NA	$8.032	$8.257	$8.275	NA	$7.917	$7.967	$8.023	NA	NA	NA	$8.193	
Total Gas Purchased for Delivery to Storage from SWHS, Dth	0	-3,843	-6,738	-16,995	0	11,802	24,596	19,507	0	0	0	7,281	35,610
Cost of Gas Purchased for Delivery to Storage from SWHS	$0	-$26,534	-$47,990	-$121,340	$0	$80,166	$168,259	$134,519	$0	$0	$0	$51,410	$238,490
ANR Fuel for Gas Delivered to Storage from SWHS, Dth	0	-146	-256	-646	0	448	935	741	0	0	0	277	1,353
Net Gas Delivered to Storage form SWHS, Dth	0	-3,697	-6,482	-16,349	0	11,353	23,662	18,766	0	0	0	7,005	34,257
ANR STS Commodity Charge on Gas Delivered to Storage from SWHS	$0	-$3,373	-$5,913	-$14,914	$0	$10,356	$21,584	$17,118	$0	$0	$0	$6,390	$31,249
Total Cost of Gas Delivered to Storage from SWHS	$0	-$29,906	-$53,903	-$136,253	$0	$90,522	$189,843	$151,637	$0	$0	$0	$57,800	$269,739
ANR Storage Injection Fuel, Dth	0	-21	-37	-93	0	65	135	107	0	0	0	40	195
Net Gas Injected into Storage, Dth	0	-3,676	-6,445	-16,256	0	11,288	23,527	18,659	0	0	0	6,965	34,062
Price of Gas Injected into Storage, $/Dth	NA	NA	NA	NA	NA	$8.019	$8.069	$8.127	NA	NA	NA	$8.299	
Gas Delivered to City Gate from Storage, Dth	8,250	0	0	0	15,034	3,005	0	352	1,108	1,049	1,836	1,486	32,121
ANR Storage Withdrawal Fuel, Dth	68	0	0	0	124	25	0	3	9	9	15	12	266
Total Gas Withdrawn from Storage, Dth	8,318	0	0	0	15,159	3,030	0	355	1,117	1,057	1,852	1,499	32,386
First of Month Weighted Average Cost of Gas in Storage, $/Dth	$6.870	$6.870	$6.757	$6.461	$4.785	$4.785	$7.896	$8.011	$8.052	$8.052	$8.052	$8.052	
Cost of Gas Deivered to City Gate from Storage	$57,146	$0	$0	$0	$72,539	$14,500	$0	$2,843	$8,993	$8,512	$14,908	$12,066	$191,508
Price of Gas Delivered to City Gate from Storage, $/Dth	$6.927	$6.927	$6.927	$6.927	$4.825	$4.825	$4.825	$8.078	$8.118	$8.118	$8.118	$8.118	
Total Cost of Gas Delivered to City Gate	$57,146	$102,367	$128,415	$203,776	$72,539	$62,087	$25,524	$12,123	$8,993	$8,512	$14,908	$37,640	$734,030
Price of Gas Delivered to City Gate, $/Dth	$6.927	$8.032	$8.257	$8.275	$4.825	$6.886	$7.967	$8.036	$8.118	$8.118	$8.118	$8.169	
Price of Gas Delivered to City Gate, $/MCF	$7.169	$8.313	$8.546	$8.565	$4.994	$7.127	$8.246	$8.317	$8.402	$8.402	$8.402	$8.455	
First of Month Storage Balance Estimate, Dth	53,332	45,014	41,338	34,893	18,637	3,478	11,736	35,263	53,567	52,450	51,393	49,541	55,007
Storage Balance as a Percentage of Capacity	96.97%	81.84%	75.16%	63.44%	33.88%	6.32%	21.34%	64.11%	97.39%	95.36%	93.44%	90.08%	
End of Month Storage Balance Before Injections	45,014	45,014	41,338	34,893	3,478	448	11,736	34,908	52,450	51,393	49,541	48,043	
Cost of End of Month Storage Balance Before Injections	$309,245	$309,245	$279,338	$225,436	$16,643	$2,143	$92,665	$279,665	$422,309	$413,796	$398,888	$386,822	
Total Cost of Gas in Storage at End of Month	$309,245	$279,338	$225,436	$89,182	$16,643	$92,665	$282,508	$431,302	$422,309	$413,796	$398,888	$444,622	
Total Gas in Storage at End of Month, Dth	45,014	41,338	34,893	18,637	3,478	11,736	35,263	53,567	52,450	51,393	49,541	55,007	
End of Month Weighted Average Cost of Gas in Storage, $/Dth	$6.870	$6.757	$6.461	$4.785	$4.785	$7.896	$8.011	$8.052	$8.052	$8.052	$8.052	$8.083	

RPGA **$7.710**

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
2006 - 2007 ACA Year
Attachment 2

		Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Sales Volumes (in MCF)		1282	3064	7302	11423	14192	21193	10734	6608	2816	1265	877	1019	81,775
Cost of Gas Purchased and Produced		17,213	40,553	64,991	92,396	137,637	157,964	55,958	46,338	10,172	7,855	5,201	11,217	647,495
PGA - Estimated Annualized Unit Cost of Gas		9.274000	9.274000	9.274000	7.291000	7.291000	7.291000	7.291000	7.291000	7.291000	7.291000	7.291000	7.291000	
Actual Annualized Unit Cost of Gas		7.918007	7.918007	7.918007	7.918007	7.918007	7.918007	7.918007	7.918007	7.918007	7.918007	7.918007	7.918007	
Difference		1.355993	1.355993	1.355993	-0.627007	-0.627007	-0.627007	-0.627007	-0.6270067	-0.627007	-0.627007	-0.627007	-0.627007	
Actual Sales Volumes		1,282	3,064	7,302	11,423	14,192	21,193	10,734	6,608	2,816	1,265	877	1,019	
		11,889	28,416	67,719	83,285	103,474	154,518	78,262	48,179	20,531	9,223	6,394	7,430	
Sales Gas Monthly Over/(Under) Recovery		1,738	4,155	9,901	(7,162)	(8,898)	(13,288)	(6,730)	(4,143)	(1,766)	(793)	(550)	(639)	
Back-up Fuel Sales to Transport Customers		685	5,105	9,167	0	8,086	2,054	0	0	0	0	78	0	
Interest at Prime Rate - Wall Street Journal - 2%		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Carrying Costs Refunded/(Collected) (Note 1)		80	93	142	242	206	203	145	111	90	81	77	75	
Beginning DCCB Balance	65350													
2006-07 DCCB Yr to Date Over/(Under) Recovery		67,853	77,206	96,416	89,496	88,889	77,857	71,272	67,239	65,563	64,851	64,457	63,893	
10% of average annual gas cost threshold		64,750	64,750	64,750	64,750	64,750	64,750	64,750	64,750	64,750	64,750	64,750	64,750	
Absolute Value Recovery Balance that exceeds threshold		3,104	12,457	31,667	24,746	24,139	13,108	6,522	2,490	814	102	0	0	
Over/(Under) Recovery Balance that exceeds 10% threshold		3,104	12,457	31,667	24,746	24,139	13,108	6,522	2,490	814	102	0	0	
DCCB Percent of Avg Annual Gas Costs		10.48%	11.92%	14.89%	13.82%	13.73%	12.02%	11.01%	10.38%	10.13%	10.02%	9.95%	9.87%	
Actual Cost Adjustment for the PGA Winter Filing, Nov 1, 2007		**($0.6711) per MCF**		**($0.0671) per CCF**										

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

Attachment 3

2006-2007 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-06	7.291	Nov-06	7.291	0	$0
Dec-06	7.291	Dec-06	7.039	-0.25	-$3,103
Jan-07	7.291	Jan-07	7.039	-0.25	-$3,786
Feb-07	7.291	Feb-07	7.039	-0.25	-$5,996
Mar-07	7.291	Mar-07	7.039	-0.25	-$3,660

Estimated Winter Season Change in Revenue **-$16,545**

Percent Change between PGA Factors **-3.46%**