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February 26, 2009

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

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

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

The MGU Purchased Gas Adjustment Clause allows MGU to file Optional PGA's in order to acknowledge significant changes in the PGA elements as defined on P.S.C. MO No.1, Original Sheet 45. P.S.C. MO No.1, Original Sheet 46 describes the basis upon which the Total PGA Cost will be calculated in an Optional PGA. Only the annualized gas cost revenue requirements, reflecting 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, is allowed in an optional PGA.

Attachment 1 is the spreadsheet used to calculate the annualized RPGA for the 12 month PGA period beginning March 15, 2009.

Attachment 2 is the spreadsheet used to calculate the Actual Cost Adjustment balance by month for the period September 1, 2008, through January 31, 2009. In accordance with the requirements of P.S.C. MO No.1, Original Sheet 46, MGU does not propose to modify its ACA adjustment but has, in Attachment 2, reflected the monthly balances in its Deferred Purchased Gas Cost – Actual Cost Adjustment (ACA) Account.

Attachment 3 is the spreadsheet that reflects the seasonal revenue impact of the change in Total PGA between existing and proposed gas cost factors. The seasonal revenue impact is a decrease of \$289,607, or 22.91%.

The proposed decrease will cause an average winter month residential gas bill to decrease by approximately \$24.05. This represents a 13.91% decrease for the average month in the heating season.

This rate represents a decrease in MGU's current PGA rate.

Missouri Gas Utility, Inc. respectfully requests that these rates become effective for volumes sold on and after March 15, 2009.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy R. Johnston".

Timothy R. Johnston, P.E.
Executive Vice President
Missouri Gas Utility, Inc.