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October 29, 2008

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, Fifth 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 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. Interest calculations in accordance with First Revised Sheet 46 are also shown for the period. During the current ACA period MGU did not recognize the effect of monthly interest on Account 191 balances and requests permission to add a lump sum of \$1,401.55 representing the cumulative interest for the period. Subsequent filings will reflect monthly accruals as described in First Revised Sheet 46.

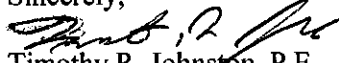
Attachment 3 is the spreadsheet that reflects the seasonal revenue impact of the change in Total PGA between existing and proposed gas cost factors. The seasonal revenue impact is an increase of \$221,946, or 25.25%.

The proposed increase will cause an average winter month residential gas bill to increase by approximately \$22.18. This represents a 14.01% increase for the average month in the heating season.

This rate represents an increase in MGU's current PGA rate. The existence of an increase differs from other companies that have come before the Commission recently in that unlike those companies, MGU did not raise its PGA rates earlier in the year. Instead, MGU elected to continue the lower rate from last fall in order to allow the negative imbalance in its ACA account to be returned to its customers.

Missouri Gas Utility, Inc. respectfully requests that these rates become effective for volumes sold on and after November 12, 2008.

Sincerely,


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