

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2009-0306, File No. YG-2009-0627, Missouri Gas Utility

FROM: Tom Solt, Energy Department – Tariffs/Rate Design

/s/ Thomas A. Solt 03/09/09
Energy Department/Date

/s/ Robert S. Berlin 03/09/09
General Counsel's Office/Date

SUBJECT: Staff Recommendation on Missouri Gas Utility's Optional PGA Filing - Effective
March 16, 2009

DATE: March 9, 2009

On March 2, 2009, Missouri Gas Utility (MGU or Company) of Littleton, Colorado filed a tariff sheet requesting an effective date of March 16, 2009. The tariff sheet was filed to reflect a change in MGU's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas.

For the MGU system (serving communities such as Hamilton and Gallatin), the effects of changes in these costs decrease the PGA rate factor, effective on March 16, 2009, from \$0.8816 per hundred cubic feet (Ccf) to \$0.6796 per Ccf. A Residential customer's bill is expected to be approximately \$24 lower over the remaining winter season than under the previously filed rate, or an approximate 14% decrease.

Case No. GR-2009-0306, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2008-2009 ACA filing. Case No. GR-2009-0161 was established to track the Company's PGA factors to be reviewed in its 2007-2008 ACA filing. This rate change should be on an interim, subject to refund basis, and this status should be maintained pending final Commission decisions in ACA Case Nos. GR-2009-0161 and GR-2009-0306.

Staff has verified that this company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Staff has reviewed this filing and has determined that it was calculated in conformance with MGU's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by MGU's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet be approved, with the rates interim subject to refund:

P.S.C. MO. No.1

Sixth Revised Sheet No. 51 Cancels Fifth Revised Sheet No. 51

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Utility's
Purchased Gas Adjustment

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Case No. GR-2009-0306

AFFIDAVIT OF THOMAS A. SOLT

STATE OF MISSOURI

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COUNTY OF COLE

) ss
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Thomas A. Solt, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Report in memorandum form, to be presented in the above case; that the information in the Staff Report was provided to him; that he has knowledge of the matters set forth in such Staff Report; and that such matters are true to the best of his knowledge and belief.

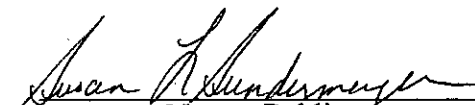


Thomas A. Solt

Subscribed and sworn to before me this 9th day of March, 2009.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public