

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of)
Missouri Gas Utility, Inc., for a)
Certificate of Convenience and)
Necessity Authorizing it to Construct,)
Install, Own, Operate, Control,)
Manage and Maintain a Natural Gas)
Transmission Line and Distribution)
System to Provide Gas Service in)
Benton County, Missouri as a New)
Certificated Area)

Case No. GA-2012-0044

STAFF AMENDED RECOMMENDATION

COMES NOW the Staff of the Commission and in response to the Commission's August 20, 2011 Notice and Order Directing Filing submits Staff's Amended Recommendation concerning Missouri Gas Utility's ("MGU") Application for a Certificate of Convenience (CCN) to extend its service to certain areas of Benton County, Missouri. Staff recommends approval of MGU's Application with certain conditions, which are noted below and are explained in the attached Staff Recommendation:

1. Staff recommends approval of MGU's Application for several reasons as noted in the attached Amended Recommendation.

2. Staff also recommends the Commission order the following conditions:

1. MGU's shareholders shall be fully responsible for the success of this project, with no liability or responsibility put on MGU's existing customers;
2. MGU shall use the depreciation rates currently on file with the Commission;

3. MGU shall obtain adequate capacity on the pipeline to reliably serve all customers in this area, including capacity necessary to serve any future growth;
4. Within thirty (30) days of the Commission's Order approving this Application, the Company shall file revised tariff sheets to include this additional service territory.
5. MGU shall maintain the operational capability to provide gas service in its requested service area; and
6. The requested CCN area for gas service shall not jeopardize natural gas service to the Company's current customers.

WHEREFORE Staff recommends approval of MGU's Application with the requirement MGU comply with the conditions noted above.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell
Deputy General Counsel
Missouri Bar No. 43792

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7431 Telephone)
(573) 751-9285 (Fax)
lera.shemwell@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronic mail to all counsel of record this 13th day of September 20011.

/s/ Lera L. Shemwell

Appendix A

Using Settlement of \$6,241 as adjustment to cost of gas			
Description	Company's ACA Balance Per Filing	Staff Adjustments	Staff Recommended ACA Balance
Beginning Balance 9/1/05	\$ (35,355)	\$ (3,861)	\$ (39,216)
Cost of Gas	628,142	(6,241)	621,901
Recoveries	(654,292)		(654,292)
Interest on Under- or (Over-)Recovery of ACA Gas Costs	370	(692)	(322)
Company Adjustment Not in Ending Balance	17		17
Ending Balance 8/31/06	\$ (61,118)	\$ (10,794)	\$ (71,912)