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)	Case No. GA-2008-0078
gas distribution system to provide gas service in)	
Harrison County, Missouri, as a further)	
expansion of its existing certified area.)	

MGU'S RESPONSE TO ORDER DIRECTING FILING AND MOTION FOR LEAVE TO AMEND

COMES NOW Missouri Gas Utility, Inc. (MGU) and, in response to the Missouri Public Service Commission's (Commission) Order Directing Filing, states as follows:

- 1. On October 16, 2007, MGU filed a Motion for Leave to Amend Application wherein MGU asked that it be allowed to substitute Appendix A to update the depiction of its proposed line. On October 18, 2007, the Commission issued its Order Directing Filing wherein, among other things, the Commission directed MGU to either update its appendices or to state that no changes to those appendices are required. Specifically, the Commission posed a question as to whether the changed location would alter the construction cost estimate or the names and addresses of landowners affected.
- 2. The revised route of the proposed line does serve to shorten somewhat the length of line necessary to provide service. Accordingly, the construction cost estimate is reduced from \$126,407 to \$116,051. Attached hereto is an **Amended Appendix B** that includes that revised estimate. The Staff Memorandum filed on October 23, 2007, found that based on the greater construction costs, projected "revenues will exceed the annual costs over the next three (3) years." The reduced construction estimate resulting from the revised route lowers the referenced costs and thereby increases the margin by which projected revenues exceed costs.

- 3. No other appendix is impacted by the change in the proposed route. The new route does not change the sections for which a certificate is sought. Accordingly, the landowners described in Appendix C remain the same.
- 4. As the Amended Appendix B represents the current construction estimate for the proposed line, MGU suggests that there is good cause to grant its motion for leave to amend.

WHEREFORE, MGU respectfully requests that the Commission consider the above response to the Commission's Order Directing Filing and grant MGU leave to amend its Application in the manner described herein.

Respectfully submitted,

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Dean L. Cooper

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following counsel this 24th day of October, 2007:

Dennis Frey Office of the General Counsel Missouri Public Service Commission Governor State Office Building Jefferson City, Missouri 65101 Marc Poston Office of the Public Counsel Governor State Office Building Jefferson City, Missouri 65101

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