

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

In the Matter of Missouri Gas Utility,)	
Inc.'s Purchased Gas Adjustment (PGA))	
Factors to be Audited in its 2006-2007)	Case No. GR-2007-0178
Actual Cost Adjustment)	YG-2007-0318

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its recommendation in the PGA filing of Laclede Gas Co., Inc., states:

1. On November 3, 2006, Missouri Gas Utility (MGU or Company) filed a tariff sheet proposed to become effective November 20, 2006.
2. The tariff sheet was filed to reflect scheduled changes in the Company's PGA factors as the result of an estimated change in the cost of natural gas for the upcoming winter season and changes in the Actual Cost Adjustment (ACA) factor.
3. This filing will decrease the firm PGA factor from the current PGA level due to decreases in the expected price of natural gas.
4. Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2007.
5. Good cause for approval of this tariff sheet, with less than thirty days notice, is demonstrated by the Company's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings.

6. Therefore Staff recommends that the tariff sheet filed November 3, 2006 be approved, interim subject to refund, with an effective date of November 20, 2006. See Staff Recommendation attached to this pleading.

WHEREFORE the Staff recommends that the Commission approve MGU's tariff sheet, interim subject to refund only, to become effective November 20, 2006.

Respectfully submitted,

/s/ Lera L. Shemwell

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered or transmitted by facsimile or electronically mailed to all counsel of record this 7th day of November 2006.

/s/ Lera L. Shemwell
