

**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)
2005-2006 Actual Cost Adjustment .)**

Case No. GR-2007-0178

STAFF RECOMMENDATION CONCERNING PROCEDURAL SCHEDULE

COMES NOW Staff of the Public Service Commission of Missouri, and for its Recommendation concerning procedural Schedule states:

1. On November 3, 2006, Missouri Gas Utility, Inc. (MGU or Company) filed a Purchased Gas Adjustment for rates to become effective November 20, 2006.

2. Staff reviewed the Company's gas purchasing processes, actual gas costs, reliability analysis and hedging activities and filed its report.

3. On October 16, the Commission issued its order granting extension of time and directing the parties to file a proposed procedural schedule on November 16.

4. The parties are engaged in settlement discussions that they expect to be fruitful and to result in a stipulation and agreement which will resolve all issues in this case.

5. No party will be prejudiced if the Commission grants Staff's request.

WHEREFORE Staff requests the Commission grant an additional 30 days before the parties are required to file a proposed procedural schedule to see if resolution may be reached.

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 electronic mail to all counsel of record this 16th day of November 2007.

/s/ Lera L. Shemwell