OF THE STATE OF MISSOURI

In the Matter of the General Rate Increase for Natural)
Gas Service Provided by Missouri Gas Utility, Inc.

Case No. GR-2008-0060
Tariff No. JG-2008-0138

ORDER SETTING LOCAL PUBLIC HEARING

Issue Date: November 26, 2007 Effective Date: November 26, 2007

On August 29, 2007, Missouri Gas Utility, Inc. ("MGU"), submitted to the Missouri Public Service Commission certain proposed tariff sheets, Tariff File No. JG-2008-0138. The purpose of the filing, according to MGU, is to implement a general rate increase for natural gas service to customers in its Missouri service area. The revised natural gas rates are designed to produce an additional \$443,131 in gross annual natural gas revenues, or approximately a 28.42% increase over existing natural gas revenues.

On September 6, 2007, the Commission suspended the tariff until July 26, 2008. In its order suspending MGU's tariff, the Commission ordered the parties to prepare a proposed procedural schedule. On October 17, 2007, the parties filed a pleading with a proposed procedural schedule that included a recommendation for the setting of a local public hearing.

The parties jointly recommend that the Commission hold one public hearing in Gallatin, Missouri. The parties suggested the public hearing be held on February 11, 2008, or, as an alternative, on February 7, 2008. The Commission finds the parties' suggestion is reasonable, and will schedule the local public hearing on the suggested date of February 11, 2008. In addition, the Commission will direct the company to provide notice to its customers.

Beginning at 5:30 p.m., prior to the start of the official hearing, the Commission's Staff will hold an informal question-and-answer session. The hearing will begin at 6:00 p.m. and will conclude at 9:00 p.m., or when every person who wishes to testify has done so, whichever is sooner.

IT IS ORDERED THAT:

- 1. The Commission shall hold a local public hearing on Monday, February 11, 2008, from 6:00 p.m. until 9:00 p.m., or until all persons who wish to testify have done so, whichever is sooner, at Gallatin, Missouri.
- 2. Missouri Gas Utility, Inc., shall send individual notice of the local public hearing to each of its customers as a bill insert with its January 2008 bill. The notice shall be substantially as set out below.

NOTICE AND REQUEST FOR PUBLIC COMMENT

Missouri Gas Utility has requested a \$443,131 increase to its Missouri jurisdictional annual gross revenues in revised natural gas service tariff sheets filed with the Missouri Public Service Commission (PSC). This would increase residential rates by approximately 30.27%. For a residential customer using 70 Ccf in a month, the increase at the proposed rates would be approximately \$24.00 per month. Missouri Gas Utility also requested a Weather Equalization Rider Adjustment to increase or decrease monthly charges from September through May to account for any deviation from normal weather.

Your comments on Missouri Gas Utility's proposed tariff changes are requested. All public comments will be considered by the PSC when deciding whether to grant or reject the tariff changes.

A public comment hearing has been set before the PSC at 6:00 p.m., February 11, 2008, at the following location:

Daviess County Library Community Room 306 West Grand Gallatin, Missouri 64640 (660) 663-3222 A question-and-answer session will be held before the hearing beginning at 5:30 p.m.

Evidentiary hearings are scheduled to be held between April 7 and April 11, 2008, at the PSC's offices in Jefferson City, Missouri.

If you wish to make written comments or secure additional information, you may contact the Missouri Public Service Commission by telephone at (573) 751-3234, toll-free at (800) 392-4211, by e-mail at pscinfo@psc.mo.gov, or by mail at Governor Office Bldg, 200 Madison Street, P.O. Box 360, Jefferson City, MO 65102-0360. Comments may also be registered in this case using the Commission's Internet Electronic Filing and Information System at https://www.efis.psc.mo.gov/mpsc/Comments.html. Please complete all required fields on the comment page.

If you wish to make written comments or secure additional information, you may also contact the Office of the Public Counsel (your state-sponsored consumer advocate), by telephone at (573) 751-4857, toll-free at (866) 922-2959, by e-mail at opcservice@ded.mo.gov, or by mail at P.O. Box 2230, Jefferson City, Missouri 65102.

The local public hearing will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If a customer needs additional accommodations to participate in this hearing, please call the Public Service Commission's Hotline at 800-392-4211 (voice) or Relay Missouri at 711 prior to the hearings.

- 3. The local public hearing shall be held in a facility that meets the accessibility requirements of the Americans with Disabilities Act. Any person who needs additional accommodation to participate in the hearing should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.
- 4. The Commission's Data Center shall serve a copy of this order upon the county commission of each county in the company's service area. In addition, the Commission's Public Information Office shall make notice of this order available to the

media serving the company's service area and to the members of the General Assembly representing the residents of the company's service area.

5. This order shall become effective on November 26, 2007.

BY THE COMMISSION

Colleen M. Dale Secretary

(SEAL)

Harold Stearley, Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri, on this 26th day of November, 2007.