

**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	)	Case No. GR-2008-0136
2006-2007 Actual Cost Adjustment	)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Public Service Commission of Missouri, and for its recommendation in this matter states:

1. On November 3, 2007, Missouri Gas Utility (MGU or Company) of Littleton, Colorado filed tariff sheets proposed to become effective November 20, 2007.

2. The tariff sheets were filed to reflect a change in MGU's Purchased Gas Adjustment (PGA) factors as the result of an estimated change in the cost of natural gas for the winter season, 2007-2008. The winter season includes the months of November through March.

3. This tariff filing also reflects a change in the Actual Cost Adjustment (ACA), another factor that determines the Net PGA.

4. For the MGU system (serving communities such as Hamilton and Gallatin), the net effect of this filing is to decrease the firm PGA factors for the 2007 – 2008 winter season to \$0.7039 per Ccf from the current firm PGA factor of \$0.7291 per Ccf. This represents a \$0.02520 per Ccf decrease.

5. Interim subject to refund status should be maintained pending final Commission decisions in ACA Case Nos. GR-2008-0136 and GR-2007-0178.

6. 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, 2008.

WHEREFORE Staff recommends the Commission approve the tariff sheets on an expedited basis interim subject to refund.

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 8th day of November 2007.

/s/ Lera L. Shemwell