

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

In the matter of the application of Missouri Gas)	
Utility, Inc., for authority to enter into certain debt)	
instruments and to issue up to and including)	
\$26,400,000 of long-term indebtedness, in one)	Case No. GF-2010-0334
more transactions, and to, among other things,)	
execute and deliver a mortgage and security)	
agreement to secure said indebtedness.)	

APPLICANT’S RESPONSE TO STAFF RECOMMENDATION

COMES NOW Missouri Gas Utility (“MGU”) and for its response to Staff Recommendation in this case and states the following:

1. MGU filed its Application in this case on May 19, 2010 and thereafter filed a First Amended Application on July 16, 2010. In response to the Commission’s August 23, 2010, Order Extending Time, Staff filed its Recommendation on August 31, 2010, which recommends that the Commission approve the Application subject to seven conditions enumerated in a memorandum attached thereto.¹

2. MGU has no objection to an order of the Commission approving the First Amended Application conditioned as recommended by Staff.² Consequently, MGU requests that the Commission issue its order granting MGU the relief it has requested.

WHEREFORE, MGU requests that the Commission issue an order at its earliest opportunity approving the First Amended Application with such conditions recommended by its Staff as the Commission deems appropriate in the circumstances.

¹ See, Staff Memorandum, pages 9 and 10.

² MGU’s acceptance of Staff’s recommended conditions does not necessarily represent acquiescence in the underlying rationale as set forth in the Recommendation or the supporting memorandum

Respectfully submitted,

/s/ Paul A. Boudreau

Paul A. Boudreau - Mo Bar # 33155
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102-0456
Telephone: (573) 635-7166
Facsimile: (573) 635-0427
Email: paulb@brydonlaw.com
Attorneys for Missouri Gas Utility, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail, electronic mail or hand delivery, on the 2nd day of September, 2010, to the following:

Missouri Public Service Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102-0360

Office of the Public Counsel
Governor Office Building
200 Madison Street, Suite 650
Jefferson City, MO 65102-2230

/s/ Paul A. Boudreau

Paul A. Boudreau