

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

In the matter of the application of Missouri Gas Utility,)
Inc., for authority to issue up to and including \$88,000,000)
of long-term indebtedness in one or more tranches after)
the closing of the merger between Missouri Gas Utility) Case No. GO-2012-0102
and Southern Missouri Gas Company, L.P. d/b/a Southern)
Missouri Natural Gas, and to, among other things,)
encumber the operating assets of the consolidated entity)

MGU'S RESPONSE TO STAFF RECOMMENDATION

COMES NOW Missouri Gas Utility ("MGU" or the "Company"), by and through its undersigned counsel, and, for its response to Staff Recommendation, states the following to the Missouri Public Service Commission ("Commission"):

1. MGU filed its Application in this case on October 3, 2011, and subsequent Appendices on October 20, and October 24. Staff filed its recommendation on December 9, 2011, which recommends that the Commission approve the Application subject to four conditions enumerated in a memorandum attached thereto.

2. MGU has no objection to an order of the Commission approving the application conditioned as recommended by Staff¹. Consequently, MGU requests that the Commission issue its order granting MGU the relief requested.

WHEREFORE, MGU requests that the Commission issue an order at its earliest opportunity approving the Application with those conditions recommended by the Staff.

Respectfully submitted,

/s/ Paul A. Boudreau
Paul A. Boudreau - MO Bar # 33155
Brydon, Swearngen & England, P.C.

¹ 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.

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ATTORNEYS FOR
MISSOURI GAS UTILITIES, INC.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been sent by electronic mail this 14th day of December, 2011, to:

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/s/ **Paul A. Boudreau**