SOUTHERN MISSOURI GAS COMPANY, L.P.

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SEP 1 2 2005

xecutive Director
MO PSC

Mr. Wess Henderson
Executive Director
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: Southern Missouri Gas Company (SMGC) response to MPSC letter request dated August 18, 2005

Exhibit No. 11
Case No(s). GR-2005-0279
Date 9-29-05 Rptr TW

Dear Mr. Henderson:

Detailed below and attached hereto (see Attachment 1) are SMGC's responses to the requests submitted in your letter referenced above.

1. See Attachment 1 for details regarding winter gas requirements. SMGC does not have any storage contracts or positions.
2. See Attachment 1 for details. As of 9/6/05 SMGC has executed the following winter supply transactions:
    a. Physical Basis Hedge, Nov05-Mar06, 190,000 MMBtu at NYMEX minus $0.59 which represents approximately 33% of SMGC's winter gas requirements.
    b. Physical Basis Hedge, Nov05-Mar06, 190,000 MMBtu at NYMEX minus $0.985 which represents approximately 33% of SMGC's winter gas requirements.
    c. For unhedged volumes, SMGC's anticipated price is based on NYMEX postings minus approximately $0.85 basis differential which would equate to approximately $11.46 per MMBtu.
3. N/A. Refer to item #2 above and Attachment 1 for details.
4. See Attachment 1 for details.
5. Based on the data and calculations provided herein, SMGC expects its winter PGA to be approximately $13.24 per MCF and its ACA to be approximately $.035 per CCF.
6. Currently, the natural gas market is experiencing significant turmoil from a combination of unique events such as Hurricane Katrina. Additionally, we believe the hedge funds and financial traders have created a significant amount of upward price pressure contrary to basic supply and demand market fundamentals. As detailed above, SMGC has already transacted for 83%, 64% and/or 50% of its expected winter gas requirements for warm, normal and/or cold seasons,

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respectively, which is consistent with our past historical practices. Notwithstanding another extraordinary event(s), it is SMGC's belief that market fundamentals will return to more "normalized" conditions and as a result, there is a much higher probability of gas prices decreasing than increasing in the coming months. However, we will continue to monitor the gas markets on a day to day basis and will make every effort to utilize all our resources to make economically prudent decisions.

We hope that this information has been useful. Per your request, SMGC personnel should be generally available most of the time between September 8th and 16th for any follow up discussions or questions you may have. However, we will be out of the office and unavailable all day on Wednesday, September 14th. Please feel free to contact either myself at (417) 926-7533 or Mr. Randy Maffett with Sendero Asset Management at (713) 655-0523 to schedule a call or to discuss any matters as applicable.

Sincerely,

William Walker

Bill Walker
Manager – Gas Control
Southern Missouri Gas Company, L.P.

Attachment 1
SMGC Winter Gas Requirements
Nov05 - Mar06

	Gas Requirements Warm	NYMEX 9/6/05	Basis 1 Gas Supplied MMBtu	Basis 2 Gas Supplied MMBtu	Basis 1 Price	Basis 2 Price	Unhedged Volumes	Estimated Basis	Unhedged Price	Unhedged Gas Costs	Basis 1 Costs	Basis 2 Costs	Total Costs
					$ (0.590)	$ (0.985)							
Nov	60,000	$ 11.90	30,000	30,000	$ 11.31	$ 10.92	-	$ (0.85)	$ 11.05	$ -	$ 339,300	$ 327,450	$ 666,750
Dec	110,000	$ 12.21	40,000	40,000	$ 11.62	$ 11.23	30,000	$ (0.85)	$ 11.36	$ 340,800	$ 464,800	$ 449,000	$ 1,254,600
Jan	120,000	$ 12.47	50,000	50,000	$ 11.88	$ 11.49	20,000	$ (0.85)	$ 11.62	$ 232,400	$ 594,000	$ 574,250	$ 1,400,650
Feb	100,000	$ 12.37	40,000	40,000	$ 11.78	$ 11.39	20,000	$ (0.85)	$ 11.52	$ 230,400	$ 471,200	$ 455,400	$ 1,157,000
Mar	70,000	$ 12.14	30,000	30,000	$ 11.55	$ 11.16	10,000	$ (0.85)	$ 11.29	$ 112,900	$ 346,500	$ 334,650	$ 794,050
Totals	**460,000**		**190,000**	**190,000**			**80,000**			**$ 916,500**	**$ 2,215,800**	**$ 2,140,750**	**$ 5,273,050**

Unhedged WACOG = $ 11.46

Total WACOG = $ 11.46

	Gas Requirements Norm	NYMEX 9/6/05	Basis 1 Gas Supplied MMBtu	Basis 2 Gas Supplied MMBtu	Basis 1 Price	Basis 2 Price	Unhedged Volumes	Estimated Basis	Unhedged Price	Unhedged Gas Costs	Basis 1 Costs	Basis 2 Costs	Total Costs
					$ (0.590)	$ (0.985)							
Nov	90,000	$ 11.90	30,000	30,000	$ 11.31	$ 10.92	30,000	$ (0.85)	$ 11.05	$ 331,500	$ 339,300	$ 327,450	$ 998,250
Dec	140,000	$ 12.21	40,000	40,000	$ 11.62	$ 11.23	60,000	$ (0.85)	$ 11.36	$ 681,600	$ 464,800	$ 449,000	$ 1,595,400
Jan	150,000	$ 12.47	50,000	50,000	$ 11.88	$ 11.49	50,000	$ (0.85)	$ 11.62	$ 581,000	$ 594,000	$ 574,250	$ 1,749,250
Feb	120,000	$ 12.37	40,000	40,000	$ 11.78	$ 11.39	40,000	$ (0.85)	$ 11.52	$ 460,800	$ 471,200	$ 455,400	$ 1,387,400
Mar	90,000	$ 12.14	30,000	30,000	$ 11.55	$ 11.16	30,000	$ (0.85)	$ 11.29	$ 338,700	$ 346,500	$ 334,650	$ 1,019,850
Totals	**590,000**		**190,000**	**190,000**			**210,000**			**$ 2,393,600**	**$ 2,215,800**	**$ 2,140,750**	**$ 6,750,150**

Unhedged WACOG = $ 11.40

Total WACOG = $ 11.44

	Gas Requirements Cold	NYMEX 9/6/05	Basis 1 Gas Supplied MMBtu	Basis 2 Gas Supplied MMBtu	Basis 1 Price	Basis 2 Price	Unhedged Volumes	Estimated Basis	Unhedged Price	Unhedged Gas Costs	Basis 1 Costs	Basis 2 Costs	Total Costs
					$ (0.590)	$ (0.985)							
Nov	110,000	$ 11.90	30,000	30,000	$ 11.31	$ 10.92	50,000	$ (0.85)	$ 11.05	$ 552,500	$ 339,300	$ 327,450	$ 1,219,250
Dec	180,000	$ 12.21	40,000	40,000	$ 11.62	$ 11.23	100,000	$ (0.85)	$ 11.36	$ 1,136,000	$ 464,800	$ 449,000	$ 2,049,800
Jan	200,000	$ 12.47	50,000	50,000	$ 11.88	$ 11.49	100,000	$ (0.85)	$ 11.62	$ 1,162,000	$ 594,000	$ 574,250	$ 2,330,250
Feb	150,000	$ 12.37	40,000	40,000	$ 11.78	$ 11.39	70,000	$ (0.85)	$ 11.52	$ 806,400	$ 471,200	$ 455,400	$ 1,733,000
Mar	120,000	$ 12.14	30,000	30,000	$ 11.55	$ 11.16	60,000	$ (0.85)	$ 11.29	$ 677,400	$ 346,500	$ 334,650	$ 1,358,550
Totals	**760,000**		**190,000**	**190,000**			**380,000**			**$ 4,334,300**	**$ 2,215,800**	**$ 2,140,750**	**$ 8,690,850**

Unhedged WACOG = $ 11.41

Total WACOG = $ 11.44