BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the application of)	
Southern Missouri Gas Company, L.P. for)	Case No. GE-2006-0156
a variance from 4 CSR 240-14.020(1)(D))	

STAFF NOTICE CONCERNING RECOMMENDATION

COMES NOW the Staff of the Commission and for its Notice Concerning Staff Recommendation states:

- 1. On October 10, 2005, Southern Missouri Gas Company. L.P. (SMGC) filed an application for variance from certain restrictions in the Commission's Promotional Practices Rule, 4 CSR 240-14.020(I)(D).
- 2. SMGC requests that the Commission permit SMGC to offer a water-heater rebate program.
- 3. SMGC asserts that the program is intended to encourage customers, builders and developers to install natural-gas-fired hot water heaters.
- 4. SMGC further contends that the program is necessary to compete with propane suppliers and unregulated electric cooperatives in its certificated area. There are no other regulated utility companies in SMGC's certificated area.
- 5. On October 12, 2005, the Commission issued an Order Directing Filing, ordering the Staff of the Commission to file its recommendation on the instant filing no later than November 14, 2005.
- 6. Staff submitted Data Requests to the Company for information about the expected extent of customer participation in the program, the cost of the program, and the potential impact of the program on system capacity.

7. Staff and the Company are working together on revisions to the tariff language that was submitted by SMGC to implement the hot-water heater rebate program. Staff expects the process to be completed no later than November 30, and Staff expects to file its recommendation no later than November 30.

8. It is Staff's understanding that SMGC will file an extension of the effective date on the tariff today.

WHEREFORE Staff requests that the Commission permit Staff to delay filing its recommendation in this case to permit the Staff and the Company time to work together on the tariff language.

Respectfully submitted,

DANA K. JOYCE General Counsel

/s/ Lera L. Shemwell

Lera L. Shemwell Senior Counsel Missouri Bar No. 43792

Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360
Jefferson City, MO 65102
(573) 751-7431 (Telephone)
(573) 751-9285 (Fax)
E-mail: lera.shemwell@psc.mo.gov

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 18th day of November, 2005.

/s/ Lera L. Shemwell