

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

In the matter of the Application of)	
Southern Missouri Gas Company, L.P.)	
d/b/a Southern Missouri Natural Gas for)	
Authority to Issue approximately \$10)	Case No. GF-2007-0215
Million in Equity Capital and)	
approximately \$50 Million In Notes and)	
Other Forms of Indebtedness)	

**STAFF RESPONSE TO COMMISSION ORDER
DIRECTING FILING OF STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission and in response to the Commission's December 22, 2006 Order Directing Filing of Staff Recommendation and states:

1. On December 6, 2006, Southern Missouri Gas Company, LP (dba) Southern Missouri Natural Gas, filed its Application for Commission authority to construct, install, own, operate, control, manage and maintain a natural gas distribution system to provide gas service in Lebanon, Missouri.
2. On December 12, 2006, Southern Missouri Natural Gas filed its request for financing of the Lebanon, Missouri project.
3. On December 22, the Commission issued its order directing Staff to file a recommendation or a status report on January 22.
4. Staff has submitted requests for detailed information necessary to an analysis of the feasibility of the proposed project. Staff is still investigating this matter and is not yet in a position to make an informed recommendation.

5. Staff is currently in the process of submitting data requests to obtain information concerning the feasibility of the project.

6. On February 15, 2007, Applicants filed a Motion to Consolidate this case with Case No. GF-2007-0215 and GA-2007-0310.

7. This third filing will require investigation as well.

8. Staff has not yet received complete answers to some of the data requests already issued. Until Staff receives adequate information to make an informed recommendation to the Commission, it cannot estimate when it will file its Recommendation. Staff proposes to file a status report or its final report on April 15, 2007, unless it is able to file sooner.

WHEREFORE Staff requests the Commission accept this pleading as the report due on February 27 and grant Staff's request to file either its Status report or Final Report on or before April 15.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell
Deputy General 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, transmitted by facsimile or electronic mail to all counsel of record this 27th day of February 2007.

/s/ Lera L. Shemwell
