

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Empire District)	
Gas Company's Purchased Gas)	<u>Case No. GR-2006-0297</u>
Adjustment Tariff Filing)	Tariff No. YG-2007-0311

ORDER APPROVING INTERIM RATES

Issue Date: November 9, 2006

Effective Date: November 20, 2006

On November 3, 2006, Empire District Gas Company (EDG or Company) filed proposed tariff sheets setting interim rates. This PGA filing reflects an optional change in EDG's Purchased Gas Adjustment (PGA) factors as a result of an estimated change in the cost of natural gas for the upcoming winter season. This tariff filing also reflects a change in the Actual Cost Adjustment (ACA), another factor that determines the Net PGA.

The proposed PGA rate of \$0.99243 per Ccf for the Southern System, reflects an increase of \$0.20395 per Ccf over the PGA Rate currently in effect of \$0.78848 per Ccf.

The proposed PGA rate of \$0.93020 per Ccf for the Northern System, reflects an increase of \$0.06894 per Ccf over the PGA Rate currently in effect of \$0.86126 per Ccf.

The proposed PGA rate of \$0.73850 per Ccf for the Northwest L&P System, reflects an increase of \$0.02544 per Ccf over the PGA Rate currently in effect of \$0.71306 per Ccf.

The Commission's Staff filed its Memorandum and Recommendation on

November 7, 2006. In its Memorandum and Recommendation, Staff supports the increase and supports Commission approval and incorporation of the increase in rates as expeditiously as possible, in that any rate change at this time is subject to true-up in the ACA process. Staff notes that, because the PGA clause in EDG's presently-effective tariff allows for PGA change filings to take affect on ten days' notice, good cause has been shown pursuant to Section 393.140(11), RSMo 2000, to permit the tariff to become effective on less than 30 days' notice. Staff recommends that the rates be approved on an interim basis, subject to refund only.

Staff also recommends the Commission grant all other relief requested by the Procurement Analysis Department in Staff's Recommendation Memorandum of the November 7, 2006 Staff Recommendation. Relief requested includes permission for Staff to submit its results and recommendation regarding the information included in this ACA filing to the Commission on or before December 31, 2007.

The Commission has reviewed the proposed tariff sheets and Staff's Memorandum and Recommendation. The Commission finds that the proposed tariff sheets conform to the Company's Commission-approved PGA Clause. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes that the proposed tariff sheets should be approved to become effective on November 20, 2006, on an interim basis, subject to refund only.

IT IS ORDERED THAT:

1. The proposed tariff sheets filed on November 3, 2006, by Empire District Gas Company are approved on an interim basis, subject to refund only. The specific

tariff sheets approved are:

P.S.C. MO. No. 1

Seventh Revised Sheet No. 61, Canceling Sixth Revised Sheet No. 61

P.S.C. MO. No. 1

Eighth Revised Sheet No. 62, Canceling Seventh Revised Sheet No. 62

P.S.C. MO. No. 1

Sixth Revised Sheet No. 64, Canceling Fifth Revised Sheet No. 64

2. The Staff of the Commission shall file its results and recommendation regarding information included in the ACA filing on or before December 31, 2007.

3. This order shall become effective on November 20, 2006.

BY THE COMMISSION



Colleen M. Dale
Secretary

(SEAL)

Colleen M. Dale, Chief Regulatory Law
Judge, by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 9th day of November 2006.