

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

In the Matter of The Empire District Gas Company's)	<u>Case No. GR-2008-0123</u>
Purchased Gas Adjustment Tariff Filing)	Tariff No. YG-2008-0263

ORDER APPROVING INTERIM RATES

Issue Date: November 1, 2007

Effective Date: November 3, 2007

On October 24, 2007, The Empire District Gas Company – Northern, Southern, and Northwest (L&P) (Empire or Company) of Joplin, Missouri filed tariff sheets proposed to become effective November 3, 2007. On October 31, 2007, Empire filed a substitute tariff sheet to correct a typographical error. The tariff sheets were filed to reflect required changes in Empire's Purchased Gas Adjustment (PGA) factors for all of its territories as the result of an estimated change in the cost of natural gas for the upcoming 2007/2008 winter season and changes in the ACA factor.

Implementation of the tariff rates results in changes in gas costs in the following Empire PGA areas:

1. For the area served by the Southern System (serving communities such as Sedalia and Clinton), the net effect of this filing will decrease the firm PGA factors for the 2007/2008 winter season to \$0.79333 per Ccf (100 cubic feet) from the current PGA factor of \$0.99243 per Ccf. This represents a \$0.19910 per Ccf decrease.

2. For the area served by the Northern System (serving communities such as Chillicothe and Trenton), the net effect of this filing will decrease the firm PGA factors for the 2007/2008 winter season to \$0.79930 per Ccf (100 cubic feet) from the current

PGA factor of \$0.93020 per Ccf. This represents a \$0.1309 per Ccf decrease.

3. For the area served by the Northwest (L&P) System (serving communities such as Maryville and Mound City), the net effect of this filing will decrease the firm PGA factors for the 2007/2008 winter season to \$0.68407 per Ccf from the current PGA factor of \$0.73850 per Ccf. This represents a \$0.05443 per Ccf decrease.

The Commission's Staff filed its Memorandum and Recommendation on October 31, 2007. In its Memorandum and Recommendation, Staff supports the change in the costs and in the ACA factor and supports Commission approval and incorporation of the decrease 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 Empire's PGA clause allows for PGA change filings to take effect on ten days' notice, good cause has been shown pursuant to Section 393.140(11), RSMo 2000, to permit the tariffs to become effective on less than 30 days' notice. Staff recommends that the rates be immediately approved on an interim basis, subject to refund. After a thorough review, the Commission's Procurement Analysis Department shall submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2008.

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 3, 2007, on an interim basis,

subject to refund. The Procurement Analysis Department shall submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2008.

IT IS ORDERED THAT:

1. The proposed tariff sheets filed on October 24, 2007, by The Empire District Gas Company are approved on an interim basis, subject to refund, for service rendered on and after November 3, 2007. The specific tariff sheets approved are:

P.S.C. MO. No. 1

1st Revised Sheet No. 61, Canceling Original Sheet No. 61

1st Revised Sheet No. 62, Canceling Original Sheet No. 62

1st Revised Sheet No. 64, Canceling Original Sheet No. 64

2. The Commission's Procurement Analysis Department shall submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2008.

3. This order shall become effective on November 3, 2007.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

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 1st day of November, 2007.