

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

In the Matter of Southern Missouri Gas)	
Company LP's Purchased Gas Adjustment)	
(PGA) Factors to be Reviewed in its 2009-1010)	Case No. GR-2010-0218
Actual Cost Adjustment.)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its Recommendation in this Purchased Gas Adjustment case states:

1. On October 5, 2010, Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas, (SMNG or Company) of Mountain Grove, Missouri, filed a tariff sheet with a proposed effective date of November 1, 2010.

2. The revised tariff sheet reflects changes in SMGC's Purchased Gas Adjustment (PGA) factor as the result of the Company's estimated changes in the cost of natural gas for the 2010-2011 winter season. The Company's winter season includes the months of November through March.

3. Staff recommends approval of the request for tariff change and approval of the tariff on an expedited basis.

4. Due to the limited time available to review this rate request, Staff recommends the increase be approved on an interim subject-to-refund basis only.

WHEREFORE Staff has determined that the rates on the substituted proposed tariff sheet were calculated in conformance with SMGC's PGA Clause. Staff recommends approval on an interim subject-to-refund basis only.

Respectfully submitted,

/s/ Lera L. Shemwell

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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 21st day of October 2010.

/s/ Lera L. Shemwell
