

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

Office of the Public Counsel)	
)	
Complainant,)	
)	
v.)	Case No. GC-2006-0180
)	
Southern Missouri Gas Company, L.P.)	
)	
Respondent.)	

**STAFF RECOMMENDATION TO APPROVE
SOUTHERN MISSOURI NATURAL GAS COMPANY'S
TARIFF TO ESTABLISH AN EXPERIMENTAL PLAN**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and submits its Recommendation to the Commission to approve tariff sheets filed by Southern Missouri Natural Gas (SMNG or Company) to establish an experimental natural-gas water heater and furnace rebate program. The Recommendation is attachment to this pleading.

1. The Rebate Program was established to comply with the Missouri Public Commission Order Approving Unanimous Stipulation and Agreement in Case No. GC-2006-0180, which is effective April 21, 2006.

2. In the Stipulation and Agreement filed in this case on March 16, 2006, the parties agreed that it was reasonable for the Company to implement a rebate program to encourage SMNG's customers to use natural gas more efficiently.

3. As explained in the Staff Recommendation the Company is implementing a program to provide rebates to customers who replace furnaces or hot water heaters with more efficient appliances.

4. Since this Company is located in an area where there are no regulated electric companies, the Commission granted SMNG a waiver from the Commission's promotional practices rule.

5. The Company will fund this program itself. Staff recommends approval of this program as way to encourage natural gas consumers to purchase more efficient appliances.

WHEREFORE, as discussed in the attached Staff Recommendation, the Staff recommends Commission approval of this tariff.

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, transmitted by facsimile or electronically mailed to all counsel of record this 5th day of May, 2006.

/s/ Lera L. Shemwell