

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

In the Matter of Southern Missouri Gas	)	
Company, L.P.'s Purchased Gas Adjustment	)	<b><u>Case No. GR-2005-0279</u></b>
Factors to be Reviewed in its 2004-2005	)	Tariff No. YG-2006-0197
Actual Cost Adjustment.	)	

**ORDER SETTING HEARING**

Issue Date: September 27, 2005

Effective Date: September 27, 2005

On September 15, 2005, Southern Missouri Gas Company, L.P. ("SMG") filed its proposed tariff sheet, setting new factors for its Purchased Gas Adjustment rate, with an effective date of October 1, 2005. The Commission Staff filed its Memorandum and Recommendation on September 26, 2005.

The proposed interim rates will increase SMG's firm PGA factor to \$1.3081 per Ccf from \$0.7900 per Ccf, resulting in an increase for the typical residential customer of about \$22.00 (37%) for the final month (October) of the summer season and an increase of \$460 (43%) over the five months of the winter heating season. The winter heating season runs from November through March.

In its Memorandum and Recommendation, the Staff of the Missouri Public Service Commission states that the proposed sheets have been correctly calculated and that they comply with the PGA clause in SMG's Commission-approved tariffs. Staff states that the proposed increase reflects an estimated change in the cost of natural gas for the remainder of the present summer season and the upcoming winter season. Staff states that SMG has no storage capacity on its system. Staff states it will continue to monitor gas

prices and will act promptly in the event that SMG's PGA should be reduced. Staff expresses no opinion as to the prudence of SMG's purchasing and planning practices. Staff further notes that, because SMG'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 tariff to become effective on less than 30 days' notice. Staff recommends that the rates be approved on an interim basis, subject to refund.

The Commission has reviewed the proposed tariff sheet and Staff's Memorandum and Recommendation. The Commission finds that the proposed tariff sheet conforms 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 sheet should be approved to become effective on and after the requested effective date of March 1, 2005, on an interim basis, subject to refund.

**IT IS THEREFORE ORDERED:**

1. That an evidentiary hearing shall be held on Thursday, September 29, 2005, commencing at 8:30 a.m. The hearing shall be held at the Commission's offices at the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, Room 310. The Governor Office Building is a facility that meets the accessibility requirements of the Americans with Disabilities Act. Any person who needs additional accommodations to participate in the hearing should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or dial 711 for Relay Missouri.

2. That the parties shall appear with suitable witnesses who are prepared to offer testimony, stand cross-examination, and reply to Commissioner questions on all

issues relevant to the PGA tariff filed by Southern Missouri Gas Company, L.P., on September 15, 2005.

3. That this order shall become effective on September 27, 2005.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale  
Secretary

( S E A L )

Kevin A. Thompson, Deputy Chief  
Regulatory Law Judge, by delegation  
of authority pursuant to  
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 27<sup>th</sup> day of September, 2005.