

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 15th day
of February, 2012.

In the Matter of Southern Missouri Gas Company)
d/b/a Southern Missouri Natural Gas Purchased)
Gas Adjustment (PGA) Factors to be Audited in its)
2009-2010 Actual Cost Adjustment)

File No. GR-2010-0218

**ORDER APPROVING
UNANIMOUS STIPULATION AND AGREEMENT**

Issue Date: February 15, 2012

Effective Date: March 16, 2012

Background

On October 27, 2010, the Commission issued an order approving interim rates for Southern Missouri Gas Company d/b/a Southern Missouri Natural Gas' Purchased Gas Adjustment rate. For the Actual Cost Adjustment of those rates, the Staff of the Commission filed its recommendation on June 7, 2011. The company responded to Staff's recommendation on September 30, 2011. In its response, the company expressed concern with the Staff recommendation regarding the capacity release adjustment for the School Aggregation customers.

For its recommendation, Staff proposed the following adjustments:

Description	Company Ending Balances per Filing	Staff Adjustments	Staff Recommended Ending Balances
Prior ACA Balance 8/31/09	\$314,515	(\$4,346) (A)	\$310,169
Cost of Gas	\$3,913,960	\$2,790 (B)	\$3,916,750
Cost of Transportation	\$1,506,299	(\$15,336) (C)	\$1,490,963
Revenues	(\$5,484,831)	(\$1,515) (D)	(\$5,486,346)
ACA Approach for Interest Calculation	\$2,269	\$0	\$2,269
Total ACA Balance 8/31/10	\$252,212	(\$18,407)	\$233,805

A) Prior year ACA balance correction (\$314,515 - \$310,169)

B) Actual Coast of Gas – BP Energy

C) Capacity Release Adjustment – School Aggregation customers

D) Aggregation and Balancing fee

Agreement

After discussions, Staff and the company filed a Stipulation and Agreement on January 31, 2012. They agreed to the following:

- (a) The ACA account balances should be reduced by \$8,429 to account for Staff's proposed Capacity Release adjustment related to the School Aggregation Program.
- (b) The ACA account balance should be reduced by \$1,515 to account for Staff's proposed Aggregation and Balance Fee adjustment related to the School Aggregation Program.
- (c) These adjustments should be made upon the effective date of the Commission's Order Approving the Agreement. Beginning with the Company's next PGA/ACA filing in 2012, the company shall return these amounts as part of the regular ACA procedure.

The Agreement thus resulted in the following Revised Table (Attachment A to the Agreement) with changes in bold underline:

Description	Company Ending Balances per Filing	Staff Adjustments	Staff Recommended Ending balances
Prior ACA Balance 8/31/09	\$314,515	(\$4,346) (A)	\$310,169
Cost of Gas	\$3,913,960	\$2,790 (B)	\$3,916,750
Cost of Transportation	\$1,506,299	<u>(\$8,429)</u> (C)	<u>\$1,497,870</u>
Revenues	(\$5,484,831)	(\$1,515) (D)	(\$5,486,346)
ACA Approach for Interest Calculation	\$2,269	\$0	\$2,269
Total ACA Balance 8/31/10	\$252,212	<u>(\$11,500)</u>	<u>\$240,712</u>

Discussion

Although the Office of the Public Counsel did not join in the Agreement, the parties represent that Public Counsel is not opposed to the terms therein. Further, Commission rule 4 CSR 240-2.115 allows 7 days for a party to file an objection to a stipulation and agreement. If no objection is filed, the Commission may treat the agreement as unanimous.

Staff and the company filed this Agreement on January 31, 2012. More than 7 days have since expired. The Commission will therefore treat the Agreement as unanimous. Based upon the Commission's independent and impartial review of the Agreement, the Commission finds the Agreement is just and reasonable and in the public interest. The Commission will approve the Agreement and direct the parties to abide by the terms therein.

THE COMMISSION ORDERS THAT:

1. The Unanimous Stipulation and Agreement entered into between the Staff of the Commission and Southern Missouri Gas Company d/b/a Southern Missouri Natural Gas is approved.
2. The Commission approves the balances reached in the Stipulation and Agreement as set out in the Revised Table above and reflected in Attachment A to the Agreement.
3. The parties to the Stipulation and Agreement shall abide by the terms therein.
4. This order shall become effective March 16, 2012.
5. This case shall be closed on March 17, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett and Kenney,
CC., concur.

Jones, Senior Regulatory Law Judge