OF THE STATE OF MISSOURI

In the Matter of Southern Missouri Gas)	
Company, L.P. d/b/a Southern Missouri)	
Natural Gas' Purchased Gas Adjustment)	Case No. GR-2007-0484
Factors to be Reviewed in its 2006-2007)	Tariff No. JG-2008-0228
Actual Cost Adjustment	ĺ	

ORDER APPROVING INTERIM RATES

Issue Date: October 30, 2007 Effective Date: November 1, 2007

On October 11, 2007, Southern Missouri Natural Gas Company, L.P. d/b/a Southern Missouri Natural Gas filed a proposed tariff sheet with a proposed effective date of November 1, 2007. This PGA filing reflects changes to the purchased gas adjustment (PGA) factor as the result of an estimated change in the cost of natural gas for the winter season.

The net effect of this change will decrease the Total PGA factor to \$0.972 per hundred cubic feet (Ccf) from the Total PGA factor of \$1.0500 per Ccf currently in effect. The PGA factor is decreasing to \$0.939 from \$1.0500, and the ACA factor is increasing to \$0.033 from \$0.00. This represents an overall decrease of \$0.0780 per Ccf.

The Commission's Staff filed its Memorandum and Recommendation on October 19, 2007. In its Memorandum and Recommendation, Staff recommends the Commission approve the decrease of the rates, in that any rate change at this time is subject to true-up in the ACA process. Staff notes that, because

SMGC's PGA clause allows for PGA change filings to take affect 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 November 1, 2007, on an interim basis, subject to refund.

IT IS ORDERED THAT:

1. The proposed tariff sheet filed on October 11, 2007, by Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas is approved on an interim basis, subject to refund, for service rendered on and after November 1, 2007. The specific tariff sheet approved is:

P.S.C. MO. No. 1

22nd Revised Sheet No. 27, Canceling 21st Revised Sheet No. 27

2. This order shall become effective on November 1, 2007.

BY THE COMMISSION

Colleen M. Dale Secretary

(SEAL)

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 30th day of October, 2007.