



271 Meadow Ridge Drive
Hannibal, MO 63401
September 25, 2006

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Missouri Public
Service Commission

Missouri Public Service Commission
Hearing at:
Hannibal Public High School Cafeteria
4500 McMasters Avenue
Hannibal, MO 63401

Honorable Commission Members:

Attached please find a chart showing the fluctuations in natural gas prices over the past two years. I presume you already know that one year ago, after a series of devastating hurricanes impacted natural gas production in the Gulf of Mexico, prices moved sharply upward and spiked in December. I believe they briefly touched \$17 per thousand cubic feet amid predictions of serious gas shortages before the winter heating season would be over. These dire predictions, thankfully, never materialized.

Instead, prices started downward in late December and are now, as the chart shows, at two year lows. The last price recorded on this chart is \$4.60 per thousand cubic feet – approximately one fourth of the price at the peak.

I submit to you this question:

How is it conceivable that a price increase for a natural gas supplier is justified at a time when the market price they must pay for the product is one fourth of the high last December and is, as noted, at a multi-year low?

Respectfully,

David H. Klassen, Ph. D.

Hannibal Local

Public Hearing Exhibit No. 1

Date 9-26-06 Case No. GR. 2006-0387

Reporter



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TFC Commodity Charts
Natural Gas (NG, NYMEX)
Weekly Price Chart



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