## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,

Case No. GR-2006-0352, File No. YG-2006-0683, Southern Missouri Natural Gas Company, L.P.

FROM: Thomas M. Imhoff, Energy Department - Tariffs/Rate Design

/s/ Thomas M. Imhoff 03/16/06 /s/ Lera Shemwell 03/16/06
Energy Department/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation on Southern Missouri Gas Company, L.P.'s Optional PGA Filing

Effective April 1, 2006

DATE: March 17, 2006

On March 13, 2006, Southern Missouri Natural Gas Company, L.P. (SMGC or Company) d/b/a Southern Missouri Natural Gas Company of Mountain Grove, Missouri, filed a tariff sheet with a proposed effective date of April 1, 2006. The tariff sheet was filed to reflect changes in SMGC's Purchased Gas Adjustment (PGA) factor as the result of an estimated change in the cost of natural gas for the summer season. The summer season includes the months of April through October.

The net effect of this change will decrease the firm PGA factor to \$0.9960 per hundred cubic feet (Ccf) for the summer season (April – October) from the firm PGA factor of \$1.3081 per Ccf currently in effect. This represents a decrease of \$.3121 per Ccf.

Case No. GR-2006-0352, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 2005-2006 Actual Cost Adjustment (ACA) filing. Case No. GR-2005-0279 was established to track the SMGC's PGA factors to be reviewed in its 2004-2005 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-2005-0279 and GR-2006-0352.

The Energy Department – Tariffs/Rate Design Staff (Staff) has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff has reviewed this filing and is unaware of any issue currently pending before the Commission that affects or is affected by this filing.

Staff has determined that the rates on the proposed tariff sheet were calculated in conformance with SMGC's PGA Clause. Staff is of the opinion that good cause for approval of SMGC's tariff sheet on less than thirty (30) days notice is demonstrated by SMGC's Commission-approved PGA Clause allowing for

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ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet with the filing date of March 13, 2006, is in compliance with SMGC's tariff and should be approved interim subject to refund:

## P.S.C. MO No. 1

19th Revised Sheet No. 27, Cancelling 18th Revised Sheet No. 27.

## **BEFORE THE PUBLIC SERVICE COMMISSION**

## **OF THE STATE OF MISSOURI**

In the matter of the Purchased Gas Adjustment filing of Southern Missouri Gas Company d/b/a Southern Missouri Natural Gas Company		) ) )	Case No. GR-	2006-0352
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STATE OF MISSOURI	) ) ss )			
Thomas M. Imhoff, of preparation of the foregoing we case; that the information in Company d/b/a Sothern Missoforth in such report; and that	vritten report, consist the attached writter ouri Natural Gas Co	sting of two n report wa mpany; tha	o pages to be pres as given by South t he has knowledg	ented in the above nern Missouri Gas ge of the matters set
		Z	hun M.	Lub f
Subscribed and sworn to before	ore me this17t	h day o	of March, 2006.	
My commission expires	NOTARY 6 My Com Mar SEAL 5 Co	VN L. HAKE mission Expires ch 16, 2009 ole County sion #05407643	QWN A. Notary F	Nall