

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 20th day of
October, 2010.

In the Matter of the Application of Southern)
Missouri Gas Company, L.P. for a Variance)
And Waiver from the Provisions of)
4 CSR 240-3.275)

File No. GE-2011-0096

ORDER GRANTING APPLICATION FOR WAIVER

Issue Date: October 20, 2010

Effective Date: October 30, 2010

Syllabus: This order grants Missouri Gas Energy a waiver from Commission Rule 4 CSR 240-3.275.

On October 4, 2010,¹ Southern Missouri Gas Company ("SMGC") asked the Commission for a waiver from the above-cited rule. SMGC would like the Commission to allow SMGC to file its depreciation study, database and property unit catalog beyond the dates required under Commission Rule 4 CSR 240-3.275. SMGC also filed a Motion for Expedited Treatment, asking for a Commission order by October 20, 2010.

Staff filed a Recommendation on October 12. Staff recommends granting SMGC's application with certain conditions. On October 15, SMGC stated that it accepted those conditions. The Commission allowed parties until October 18 to file objections to Staff's Recommendation. The Commission received no objections.

¹ All calendar references are to 2009 unless otherwise noted.

Commission Rule 4 CSR 240-2.060(4) allows the Commission to grant waivers from Commission rules upon good cause shown. Upon review of SMGC's verified application, the Commission's rules, and Staff's recommendation, the Commission finds that SMGC has shown good cause in its request for a waiver.

THE COMMISSION ORDERS THAT:

1. The Motion for Expedited Treatment is granted.
2. The Commission grants Southern Missouri Gas Company, L.P. a temporary waiver from Commission Rule 4 CSR 240-3.275, subject to the agreed-upon conditions listed below.
3. This waiver shall apply only to a rate case filed in the calendar year 2010.
4. Southern Missouri Gas Company, L.P., shall not propose changes to its depreciation rates as a part of its 2010 rate case.
5. Southern Missouri Gas Company, L.P., shall retain the current depreciation rates shown in Attachment A of Staff's Recommendation, as agreed to in File No. GA-94-127.
6. Southern Missouri Gas Company, L.P., shall maintain mortality records in compliance with Commission Rule 4 CSR 240-40.040 Uniform System of Accounts-Gas Corporations and 4 CSR 240-3.235 and 4 CSR 240-3.275 Submission Requirements for Gas Utility Deprecation Studies.
7. Southern Missouri Gas Company, L.P., shall account for all payments from other parties when it is required to remove, relocate, rearrange, reroute, or otherwise make changes in utility property, other than for purposes of rendering utility service, as credits to

the depreciation reserve in compliance with Commissions Rule 4 CSR 240-040 Uniform System of Accounts-Gas Corporations and it shall appropriately identify amounts in its Annual Reports.

8. Southern Missouri Gas Company, L.P., shall establish and adopt accounting policies or procedures for separating/allocation removal costs of plant that is being retired from costs to install new plant.

9. Southern Missouri Gas Company, L.P., shall continue to keep a separate accounting of their amounts accrued for recovery of their initial investment in plant from the amounts accrued for the cost of removal, consistent with the Commission's Third Report and Order in Laclede File No. GR-99-315.

10. This temporary waiver shall apply until the Commission orders otherwise.

11. This order shall become effective on October 30, 2010.

12. This case shall be closed on October 31, 2010.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

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

Pridgin, Senior Regulatory Law Judge