

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Southern)
Missouri Gas Company L.P. d/b/a Southern)
Missouri Natural Gas for Authority to Enter into)
Certain Debt Instruments and to Issue up to and)
Including \$28,000,000 of Short-term Indebtedness,)
in One or More Transactions, and to, Among Other)
Things, Execute and Deliver a Mortgage and)
Security Agreement to Secure Said Indebtedness.)

Case No. GF-2011-0352

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Commission) and states as follows:

1. On May 10, 2011, the Staff filed its *Staff Response To Commission Order Directing Filing* informing the Commission that Staff would file its recommendation in the above-captioned case no later than June 1, 2011.

2. Accordingly, the Staff has completed its review of the application of Southern Missouri Gas Company, LP d/b/a Southern Missouri Natural Gas (SMNG) to enter into certain debt instruments for as much as \$28,000,000 and its review of information provided by the company in response to Staff's data requests.

3. SMNG properly filed its Application pursuant to Sections 393.180 and 393.190 RSMo (2000) and Commission rules 4CSR-240-2.060, 2.080(16), 3.220, and 4CSR 4.020(2)(B).

4. For reasons explained more fully in Staff's Recommendation, attached hereto as Appendix "A" and incorporated herein for all purposes, the Staff recommends the Commission issue an order approving SMNG's Application subject to the four (4) conditions recommended by Staff.

WHEREFORE, for the reasons explained in Staff's Recommendation (Appendix "A"), the Staff respectfully recommends the Commission approve SMNG's Application to enter into the aforementioned debt instruments subject to the four conditions recommended by Staff.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
email: bob.berlin@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of June 2011.

/s/ Robert S. Berlin