

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

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| In the Matter of Southern Missouri Gas Company |) | |
| LP's Purchased Gas Adjustment (PGA) Factors to be |) | Case No. GR-2008-0379 |
| Reviewed in its 2006-2007 Actual Cost Adjustment. |) | |

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its Recommendation in this case states:

1. On June 3, 2008, Southern Missouri Natural Gas Company, L.P. (SMNG or Company) d/b/a Southern Missouri Natural Gas, filed a tariff sheet with a proposed effective date of July 1, 2008. The tariff sheet was filed to reflect changes in SMNG's Purchased Gas Adjustment (PGA) and factors as the result of estimated changes in the cost of natural gas for the summer season. The summer season includes the months of April through October.

2. The net effect of this change will increase the Total PGA factor to \$1.3630 per hundred cubic feet (Ccf) for the summer season (April – October) from the Total PGA factor of \$0.972 per Ccf currently in effect. This represents an overall increase of \$0.3910 per Ccf.

3. Case No. GR-2008-0379, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 2007-2008 Actual Cost Adjustment (ACA) filing.

4. Staff has determined that the rates on the proposed tariff sheet were calculated in conformance with SMNG's PGA Clause. Staff is of the opinion that good cause for approval of SMNG's tariff sheet on less than thirty (30) days notice is demonstrated by SMNG's Commission-approved PGA Clause allowing for ten (10) business days notice for PGA change

filings. Therefore, Staff recommends that the tariff sheet filed on June 3, 2008, is in compliance with SMNG's tariff and should be approved on an interim subject to refund basis only.

WHEREFORE Staff recommends the Commission approve SMNG's tariff on an expedited basis, interim subject to refund only.

Respectfully submitted,

/s/ Lera L. Shemwell

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered or transmitted by facsimile or electronic mail to all counsel of record this 11th day of June 2008.

/s/ Lera L. Shemwell
