

JAMES M. FISCHER, P.C.

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November 25, 1997

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

FILED

NOV 25 1997

MISSOURI  
PUBLIC SERVICE COMMISSION

GO-98-220

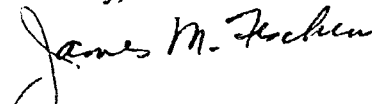
RE: *In the matter of the Application of Southern Missouri Gas Company, L.P. for  
Extension of Time to File Rate Case*

Dear Mr. Roberts:

Enclosed are an original and fourteen (14) copies of Southern Missouri Gas Company, L.P.'s Application for Extension of Time to File Rate Case for filing in the above-referenced matter. A copy of the foregoing Application has been hand-delivered or mailed this date to parties of record.

Thank you for your attention to this matter.

Sincerely,

  
James M. Fischer

/jr  
Enclosures

cc: Office of the Public Counsel



BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

FILED  
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MISSOURI  
PUBLIC SERVICE COMMISSION

In the matter of the Application of )  
Southern Missouri Gas Company, L.P. )  
for Extension of Time to File Rate Case )

Case No. GO-98-220

**APPLICATION FOR EXTENSION OF TIME TO FILE RATE CASE**

COMES NOW Southern Missouri Gas Company, L.P. ("SMGC"), and for its Application for Extension of Time to File Rate Case respectfully states:

1. Applicant is a limited partnership duly organized and existing under the laws of the State of Missouri. Its principal office and place of business is located at 8801 South Yale, Suite 385, Tulsa, Oklahoma 74137. Applicant is a natural gas utility certified to provide natural gas service to customers in fifteen (15) municipalities in six (6) counties in southern Missouri. Applicant is duly qualified as a Missouri limited partnership to transact business in the state of Missouri, and a certificated gas utility subject to the jurisdiction, supervision, and control of the Missouri Public Service Commission ("Commission") under Chapters 386 and 393, RSMo 1994.

2. Communications in regard to this matter should be addressed to:

Tom M. Taylor, Manager  
Southern Missouri Gas Company, L.P.  
8801 South Yale, Suite 385  
Tulsa, Oklahoma 74137  
Telephone: (918) 493-5995

James M. Fischer  
Attorney at Law  
101 West McCarty Street, Suite 215  
Jefferson City, Missouri 65101  
Telephone: (573) 636-6758



3. In *Re Tartan Energy Company, L.C.*, Case No. GA-94-127, Tartan Energy Company, L.C., a predecessor company to SMGC, entered into a Stipulation and Agreement with the Commission Staff and Office of the Public Counsel which included the following provision:

The Applicant agrees that, absent the elimination of the Purchased Gas Adjustment Clause, it will file a rate case on or before the 2-year anniversary of the commencement of service in West Plains, Missouri.

(Stipulation & Agreement, pp.6-7, para. 7). In its Report & Order, the Commission approved this Stipulation and Agreement.

4. Under the Stipulation & Agreement, the Company is scheduled to file a rate case on or before February 8, 1998, since service commenced in West Plains on February 8, 1996. However, at the time the Stipulation & Agreement was executed, the Company's construction plan scheduled West Plains, Missouri to be the last community in its service area to have its local distribution system completed. The agreement to file a rate case two years after the commencement of service in West Plains was designed to ensure that the Company would have completed its construction of its local distribution system, and therefore the rate case would include actual costs in establishing new rates.

5. Due to unforeseen difficulties in determining the future route of Highway 63 from Cabool to Houston and Licking (and therefore the appropriate location of the gas lines running along the public utility right-of-way of Highway 63),<sup>1</sup> the Company delayed the construction of the Houston

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<sup>1</sup>The Missouri Department of Highway and Transportation ("MDOT") is planning to widen and reconstruct this portion of Highway 63 in the future. As a result, the MDOT was unable to provide to the Company with the future location of the highway and its public utility right of way with certainty. Since the Company, absent a specific agreement with MDOT, may have been required to pay for the cost of relocating its natural gas lines, the Company delayed construction of its distribution system in this area until the highway plans were better developed, or an acceptable agreement with MDOT regarding the reimbursement of costs of relocation of natural gas lines could be finalized.



and Licking local distribution systems. As a result, the Houston and Licking local distribution systems have not been completed.

6. Recently, the Company received assurances from MDOT that, even though the exact plans for the Highway 63 route have not been finalized, the State of Missouri would reimburse the Company for the cost of relocating any of its natural gas lines along Highway 63 in the event they are required to be moved during the next fifteen years. (See Attachment No. 1).

7. With the assurances from MDOT that the State of Missouri will reimburse the Company in the event it becomes necessary to move its natural gas lines, the Company intends to complete the last spur of its distribution system along Highway 63 and in Houston and Licking, Missouri. The Company will not complete construction of this last portion of its distribution system until 1999.

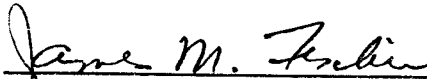
8. In order to include all construction costs, including the Houston and Licking distribution system in rate calculations, and develop a test year with actual operating costs, it will be necessary to delay the filing the Company's next rate case by approximately two years. The Company therefore requests that it be permitted to extend the date of filing its rate case from February 8, 1998, to February 8, 2000.

9. The proposed delay will not be detrimental to the ratepayers or other parties to the proceeding since the Company will continue to charge its present rates. The Company has not reached its estimated volumes (*i.e.*, 1,797,000 Mcf annually) upon which its current rates are based in part due to not serving all communities as originally anticipated. Therefore, it is not anticipated that rate reductions would result from a rate case since the Company's current volume of throughput is less than the level assumed in its current rates.



WHEREFORE, Southern Missouri Gas Company, L.P. respectfully requests the Commission issue its Order approving SMGC's Application for Extension of Time to File Rate Case, and permit the Company to file its next rate case on or about February 8, 2000.

Respectfully submitted,

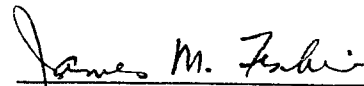
  
James M. Fischer      Mo. Bar No. 27543  
Attorney at Law  
101 West McCarty Street, Suite 215  
Jefferson City, Missouri 65101  
Telephone: (573) 636-6758  
Fax: (573) 636-0383

ATTORNEY FOR APPLICANT

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered or mailed, postage prepaid, this 25<sup>th</sup> day of November, 1997, to:

Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, Missouri 65102

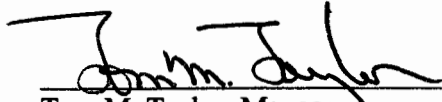
  
James M. Fischer



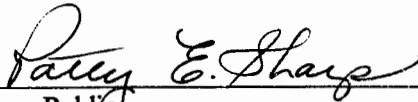
**VERIFICATION**

STATE OF OKLAHOMA    )  
                                  ) ss.  
COUNTY OF TULSA     )

Tom M. Taylor, being first duly sworn, on his oath and in his capacity as Manager, Southern Missouri Gas Company, L.P., states that he is authorized to execute on behalf of Southern Missouri Gas Company, L.P. this Application for Extension of Time to File Rate Case, and has knowledge of the matter stated in this Application, and that said matters are true and correct according to the best of his knowledge and belief.

  
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Tom M. Taylor, Manager  
Southern Missouri Gas Company, L.P.

Subscribed and sworn to before me this 25<sup>th</sup> day of November, 1997.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: June 11, 2001