

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
December 12, 2000**

CASE NO: GR-2000-288

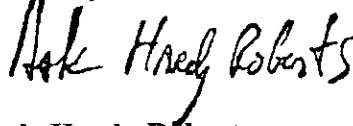
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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, somewhat stylized script.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 12th
day of December, 2000.

In the Matter of Southern Missouri Gas)
Company, L.P.'s Purchased Gas Adjustment) Case No. GR-2000-288
Factors to be Reviewed in its 1998-1999)
Actual Cost Adjustment.)

**ORDER ESTABLISHING ACA BALANCE
AND CLOSING CASE**

This case was opened for the purpose of receiving the 1998-1999 Purchased Gas Adjustment filings and Actual Cost Adjustment filing of Southern Missouri Gas Company, L.P. (SMG). On August 1, 2000, the Procurement Analysis Department of the Staff of the Missouri Public Service Commission (Staff) filed a memorandum and recommendation stating that Staff had audited the Actual Cost Adjustment (ACA) filing of SMG and setting out various specific recommendations for inclusion in the Commission's order. On August 3, 2000, the Commission directed SMG to file its response on or before September 1, 2000.

On August 31, 2000, SMG filed its response. Therein, SMG indicated that it agreed with some of Staff's recommendations and disagreed with others. The case now appearing to be actively contested, the Commission, on September 20, 2000, issued its order setting a prehearing conference and requiring the filing of a proposed procedural schedule. On October 23, 2000, prior to the prehearing conference, Staff filed a revised memorandum and recommendation. SMG

filed its response thereto on October 25, 2000. This response revealed that the parties' differences had been resolved. On October 26, 2000, therefore, the Commission canceled the prehearing conference and relieved the parties of the obligation to file a proposed procedural schedule.

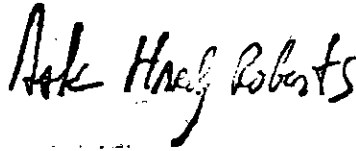
In its response of October 25, 2000, SMG states that it agrees with Staff's proposal that SMG carry-forward an under-recovery balance of \$768,186 from the 1997-1998 ACA filing; and that \$241,187 not be deducted from the 1998-1999 ACA filing and that gas cost be increased by this amount; and that the cost of gas be reduced by \$25,502; and that the cost of transportation be increased by \$66,708; and that revenues be decreased by \$3,768; and that refunds of \$1,655 be included in the next filing; and that the difference of \$983,771 between SMG's transportation costs actually incurred with Williams Natural Gas Company and the transportation costs allowed by Staff be deferred on SMG's books until its next general rate case; and that SMG's under-recovery balance as of August 2000 be amortized over a three-year period to avoid an adverse impact on consumer rates.

SMG's response to the Staff's revised recommendation shows that it agrees with the ending balances determined by the Staff. The Commission has reviewed the revised memorandum and recommendation filed by Staff and the response filed by SMG. The Commission determines that the ending balances shown in the Staff recommendation are reasonable and should be approved. The Commission further determines that this case should be closed.

IT IS THEREFORE ORDERED:

1. That Southern Missouri Gas Company, L.P., shall establish the Actual Cost Adjustment account balances in its next Actual Cost Adjustment filing as discussed herein, adopting the adjustments and ending (over)/under-recovery balances as shown in the table of adjustments filed by the Staff of the Missouri Public Service Commission on October 23, 2000, and including refunds of \$1,655 in the next PGA/ACA filing.
2. That this order shall become effective on December 22, 2000.
3. That this case may be closed on December 23, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer, Schemenauer,
and Simmons, CC., concur.
Murray, C., absent.

Thompson, Deputy Chief Regulatory Law Judge

ALI/Sec'y: Thompson / [Signature]
12-6 GR-2000-288
Date Circulated CASE NO.

[Signature]
Lumpe, Chair
[Signature]
Drainer, Vice Chair
[Signature]
Murray, Commissioner
[Signature]
Schemenauer, Commissioner
[Signature]
Simmons, Commissioner

12-12
Agenda Date

Action taken: 4-OAS
Must Vote Not Later Than _____

STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 12th day of December 2000.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

