

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
February 24, 2000**

CASE NO: GR-2000-485

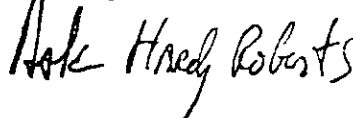
Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

James M. Fischer
101 West McCarty Street, Suite 215
Jefferson City, MO 65101

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

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

Sincerely,

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Southern Missouri Gas)	
Company, L.P. for Authority to File)	
Tariffs Increasing Rates for Gas Service)	<u>Case No. GR-2000-485</u>
Provided to Customers in the Company's)	
Missouri Service Area.)	

SUSPENSION ORDER AND NOTICE

On February 8, 2000, Southern Missouri Gas Company L.P. (Company) submitted to the Commission tariffs reflecting increased rates for natural gas service provided to customers in the Missouri service area of the Company. The proposed tariffs were assigned tariff number 200000712 and bear a requested effective date of March 9, 2000. The proposed tariffs are designed to produce an annual increase of approximately six percent (\$390,000) in the Company's revenues.

To allow sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable and in the public interest, the Commission will suspend the proposed tariffs for a period of 120 days plus an additional six months beyond the requested effective date, unless otherwise ordered by the Commission.

The Commission will schedule hearing dates to ensure this matter is heard as expeditiously as possible. Additionally, establishment of the hearing dates will allow for notice to be sent to customers. Company

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shall give notice to customers as directed in the ordered paragraphs below.

The Records Department of the Commission shall serve a copy of this order upon the county commission of each county in the Company's service area. In addition, the Information Office shall send notice of this order to the publisher of each newspaper located in the counties in which the Company provides service, as listed in the newspaper directory of the current *Official Manual of the State of Missouri*, and to the members of the General Assembly representing the Missouri area served by the Company.

Any proper entity desiring to intervene in this proceeding shall file its application to intervene as ordered herein.

The company's prefiled direct testimony should be based upon a 12-month period using a specific test year ending date. Staff's and other parties' test year proposals should include a specific 12-month period as a test year and should include any additional period for which Staff or another party has updated significant items from the test year. The test year with the additional period will be called a test year as updated, or updated test year. A party may also request isolated changes, such as those imposed by governmental bodies, as part of its case and the Commission will consider whether those isolated changes are known and measurable, and whether they should be included in the company's revenue requirement. An issue to be considered in this

determination is whether the proposed adjustment affects the matching of rate base, expenses and revenues.

A resolution of the test-year issue must be made early in the proceeding so that parties' testimony can be reconciled to the same period. The test year is the 12-month period which is used to audit a company's books to determine the proper amounts of rate base, expenses and revenues to be used in calculating a revenue requirement for a company. The test year involves an audit of all books and records of a company so that a total revenue requirement can be calculated. The company shall make its recommendation concerning the proper test year to be used in a separate pleading to be filed on the same date as its direct testimony. Staff, the Office of the Public Counsel and all intervenors shall each state their position regarding the company's test year proposal in a separate pleading which shall be filed on the same date as their direct testimony.

The company should submit any request for a true-up in a separate motion filed on the same date as its direct testimony. This request should include a proposed date to which the company's financial data is to be brought forward as well as a proposed time for a true-up hearing. The company's proposal should also specify a complete list of accounts or items of expense, revenues and rate base designed to prevent any improper mismatch in those areas. The Commission will not consider a true-up of isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue-expense-rate base

match at a proper point in time. In re Kansas City Power & Light Co., 26 Mo. P.S.C. (N.S.) 104, 110 (1983). Staff, the Office of the Public Counsel and all intervenors shall each state their position regarding the company's true-up proposal in a separate pleading filed on the same date as their direct testimony.

The Commission will require the prefiling of testimony as defined in 4 CSR 240-2.130. All parties shall comply with this rule, including the requirement that testimony be filed on line-numbered pages. The practice of prefiling testimony gives parties notice at the earliest reasonable opportunity of the claims, contentions and evidence in issue and avoids unnecessary objections and delays caused by allegations of unfair surprise at the hearing. All prefiled testimony shall be filed by 3:00 p.m. on the date it is scheduled to be filed. The Commission will order the Company to file its direct testimony expeditiously to ensure that this case progresses.

Testimony and schedules shall not be filed under seal and treated as proprietary or highly confidential unless a protective order has first been established by the Commission. The party which considers information to be proprietary or highly confidential should request a protective order to ensure the information is treated as designated. Any testimony or schedule filed without a protective order first being established shall be considered public information.

IT IS THEREFORE ORDERED:

1. That the proposed tariff sheets submitted on February 8, 2000, by Southern Missouri Gas Company for the purpose of increasing rates for natural gas service are hereby suspended for a period of 120 days plus six months from the effective date of March 9, 2000, until January 4, 2001.

2. That Southern Missouri Gas Company, L.P. shall file direct testimony in support of its proposed rate increase no later than March 28, 2000, at 3:00 p.m.

3. That Southern Missouri Gas Company shall file a separate pleading setting out its recommendation concerning the proper test year on the same date that its direct testimony is filed.

4. That the Commission Staff, the Office of the Public Counsel and the intervenors shall either concur in Southern Missouri Gas Company's test-year recommendation or recommend alternatives in a separate pleading that shall be filed on the same date their direct testimony is filed.

5. That if Southern Missouri Gas Company requests a true-up audit and hearing, it shall file a pleading with its true-up request and the reasons for that request on the same date its direct testimony is filed.

6. That the Commission Staff, the Office of the Public Counsel and the intervenors shall file a pleading indicating either concurrence in the Southern Missouri Gas Company's true-up recommendation or suggesting alternatives to the Southern Missouri Gas Company's true-up

recommendation in a separate pleading that shall be filed on the same date their direct testimony is filed.

7. That the Commission will conduct an evidentiary hearing from 10:00 a.m., September 18, 2000, through September 22, 2000, in the Commission's hearing room. Anyone with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten days prior to the prehearing conference or hearing at one of the following numbers: Consumer Services Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541.

8. That anyone wishing to intervene shall file an application to intervene no later than March 17, 2000, with:

Secretary of the Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Copies of the application to intervene should be sent to:

James M. Fischer
Fischer and Dority, P.C.
101 West McCarty, Suite 215
Jefferson City, Missouri 65101

and

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

9. That Southern Missouri Gas Company shall notify each affected customer of the hearings scheduled in this case by either a notice on or accompanying a bill, or in a separate notice, at least ten (10) days but not more than forty-five (45) days prior to the first day of the

hearings, unless otherwise ordered by the Commission. The notice shall be in the following form:

NOTICE

Southern Missouri Gas Company has filed revised tariffs with the Missouri Public Service Commission (PSC) which would increase the company's Missouri jurisdictional annual gross revenues by approximately six percent.

An evidentiary hearing has been set before the PSC, beginning at 10:00 a.m., September 18, 2000, in the PSC's hearing room in Jefferson City, Missouri. If you wish to comment or secure information, you may contact the Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, telephone (573) 751-4857.

If any person has special needs as addressed by the Americans with Disabilities Act, please contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541.

10. That the Records Department and Information Office of the Commission shall serve a copy of this order and provide notice as described in this order.

11. That this order shall become effective on March 6, 2000.

BY THE COMMISSION

(S E A L)



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Lewis Mills, Deputy Chief Regulatory Law Judge, by delegation of authority pursuant to 4 CSR 240-2.120(1), (November 30, 1995) and Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 24th day of February, 2000.

FYI: To Be Issued By Del ition

Alt/Sec'y: Mills / Boyce

2-23

Date Circulated

2-28

Return by 3 p.m.
10 a.m.

GR-2000-485
CASE NO.

Lumpe, Chair

Crompton, Commissioner

Murray, Commissioner

Schemenauer, Commissioner

Drainer, Vice-Chair

**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 24th day of FEBRUARY 2000.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

