

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

In the Matter of Southern Missouri)	
Natural Gas, L.P. Purchased Gas)	
Adjustment (PGA) Factors to be)	
Reviewed its 2005-2006 Actual Cost)	Case No. GR-2006-0352
Adjustment)	

STAFF RECOMMENDATION

COMES NOW the Staff (Staff) of the Missouri Public Service Commission (Commission) in the above-captioned matter and for its recommendation states as follows:

1. On October 6, 2006, Southern Missouri Gas Company, L.P. (SMGC or Company) of Mountain Grove, Missouri, filed tariff sheets with the Commission to be effective November 1, 2006. The filing was made to reflect changes in Company's Purchased Gas Adjustment (PGA) factors for the upcoming winter season.

2. Staff has reviewed the proposed tariff sheet, and recommends that it be approved effective November 1, 2006. The recommendation of the Energy Department-Tariff/Rate Design is attached as Attachment A hereto. Staff notes that good cause has been shown pursuant to §393.140 (11) RSMo to permit the tariff to become effective on less than thirty days notice. Staff also recommends that the rates be interim, subject to refund.

WHEREFORE, the Staff recommends that the Commission, issue an Order approving the proposed tariff sheet to become effective on November 1, 2006, on the basis that the rates are

interim, subject to refund. Staff also recommends that the Commission grant all of the other relief requested by Staff in Attachment A.

Respectfully submitted,

/s/ Robert V. Franson

Robert V. Franson

Senior Counsel

Missouri Bar No. 34643

Attorney for the Staff of the

Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 751-6651 (Telephone)

(573) 751-9285 (Fax)

email: robert.franson@psc.mo.gov

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 19th day of October, 2006.

/s/ Robert V. Franson