

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

In the matter of the Application of	)	
Southern Missouri Gas Company, L.P.	)	
d/b/a Southern Missouri Natural Gas	)	
for a certificate of public convenience	)	
and necessity authorizing it to construct,	)	
install, own, operate, control, manage	)	Case No. GA-2010-0114
and maintain a natural gas distribution	)	
system to provide gas service in	)	
Laclede County, Missouri, as an	)	
expansion of its existing service area.	)	

**SMNG RESPONSE TO ORDER DIRECTING FILING**

**COMES NOW** Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas, ("SMNG" or "Applicant"), pursuant to 4 CSR 240-2.080, and respectfully files its response to the Staff Recommendation filed on November 24, 2009, and to the Commission's Order Directing Filing issued on November 30, 2009:

1. On October 13, 2009, SMNG filed its Application in this matter requesting, among other things, that the Commission grant it a certificate of convenience and necessity on an expedited basis to construct, install, own, operate, control, manage, and maintain a system for the provision of natural gas service to the public pursuant to its approved rates, rules, and regulations contained in its tariff for Lebanon, Missouri, in the proposed service area in Laclede County, Missouri.

2. On November 24, 2009, the Staff filed its Staff Recommendation that recommended approval of SMNG's application in this matter, stating:

For reasons more fully explained in Staff's Memorandum, the Staff recommends the Commission approve SMNG's application. Based on Staff's review of

SMNG's application, Staff believes approval is required by public convenience and necessity and is in the public interest. Therefore, Staff recommends the Commission grant SMNG a certificate of convenience and necessity to serve the additional areas of Laclede County necessary to serve the asphalt plant, with the understanding that the failure of the proposed extension will not affect the Company's rates. (Staff Recommendation, p. 1)

3. On November 30, 2009, the Commission issued its Order Directing Filing which ordered SMNG to file its response to the Staff Recommendation no later than December 8, 2009.

4. In response to the Order Directing Filing, SMNG files its response and hereby accepts the terms of the Staff Recommendation. In particular, SMNG notes that this proceeding is not a rate case, and the failure of the proposed extension of the Company's service area in this proceeding will not affect the Company's rates. In the future, the Company's rate base, including the costs of any completed extension of its distribution system, and the additional revenues from the expanded service area, will be reviewed by the Commission, and may be reflected in the Company's rates.

**WHEREFORE**, SMNG respectfully files its response to the Staff Recommendation and hereby respectfully renews its request for an order from the Commission granting it a certificate of convenience and necessity on an expedited basis to construct, install, own, operate, control, manage, and maintain a system for the provision of natural gas service to the public pursuant to its approved rates, rules, and regulations contained in its tariff for Lebanon, Missouri, in the proposed service area in Laclede County, Missouri, as more fully described in its application.

**Respectfully submitted,**

*/s/ James M. Fischer*

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ATTORNEYS FOR APPLICANT

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, by U.S. Mail, First Class, this 8th day of December, 2009, to:

Office of the Public Counsel  
P.O. Box 2230  
Jefferson City, MO 65102

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

*/s/ James M. Fischer*

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James M. Fischer