



October 21, 2011

Secretary / Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65102

Re: Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas (SMNG) Winter PGA Filing

Attached are the electronic copies of 13 P.S.C. MO No.1, Twenty-ninth Revised Sheet 27, reflecting a change in the Purchased Gas Cost, the Actual Cost Adjustment, and Total PGA for each of the various Schedules listed in the MGU Purchased Gas Adjustment (PGA) Clause.

The SMNG Purchased Gas Adjustment Clause requires the filing, between September 15 and Nov 4 each year, of the Regular Purchased Gas Adjustment (RPGA), which is defined on 13 P.S.C. MO No.1, First Revised Sheet 23 as the best estimate of the Company's gas costs and volumes purchase for resale as calculated by the Company and approved by the Commission. The Clause also requires a reconciliation of the PGA cost from the prior period with the actual costs incurred, and from that information and the projected volumes, the calculation of the annual Actual Cost Adjustment.

Attachment 1 presents the spreadsheets used to calculate the SMNG RPGA for the next PGA period and are titled accordingly.

Attachment 2 is the spreadsheet used to calculate the Actual Cost Adjustment balance by month for the prior PGA period, along with the amortization of that balance over the next PGA period volumes SMNG territory. Interest, calculated in accordance with Second Revised Sheet 22 instructions, is imbedded in the monthly Account 191 balances as shown on Attachment 2.

Attachment 3 is also provided for the SMNG territory and reflects the seasonal revenue impact of the change in Total PGA between existing and proposed gas cost factors. The seasonal revenue impact of SMNG's PGA filing is a decrease of \$260,261, or 5.08%.

The proposed SMNG PGA decrease will cause an average winter month residential gas bill to decrease by approximately \$ 3.41. This represents a 2.73% decrease for the average month in the heating season.

Southern Missouri Natural Gas respectfully requests that these rates become effective for volumes sold on and after November 4, 2011.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michelle A. Moorman", is written over a horizontal line.

Michelle A. Moorman
Manager Regulatory Affairs
Missouri Gas Utility for
Southern Missouri Natural Gas