STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 11th day of March, 1998.

In the Matter of the Application of Southern Missouri Gas Company, L.P. for Extension of Time to File Rate Case.

Case No. GO-98-220

ORDER SETTING ORAL ARGUMENT ON MOTION

On February 5, 1998, the Commission issued an order granting Southern Missouri Gas Company (SMGC or Company) a two-month extension to file rate case and directed SMGC to file its rate case not later than April 8. On February 10 SMGC filed a Motion for Reconsideration and Rehearing and a Motion for Protective Order. SMGC argued that its due process rights were violated because it was not allowed ten days to respond to the February 2 response filed by the Staff of the Commission. SMGC further argued that Staff erroneously stated a concern that the current base rates for the Company may be over-recovering costs actually incurred for the provision of local service. Therefore, SMGC included with its Motion for Reconsideration or Rehearing certain financial statements under seal and marked proprietary.

SMGC asserts that it would be a waste of time, money and management resources for the company to file a rate case at this time. SMGC stated that even if, after cursory investigations and discussions with the Company, Staff believes that the Company is earning more than a reasonable return on its investment, then Staff would have the option of filing a complaint to resolve the matter. SMGC believes it would be

reasonable and prudent to attempt to resolve such questions informally without the expense of a full blown rate case or complaint proceeding.

The Company requests the opportunity to address the matter at an oral argument or on-the-record presentation if the Commissioners have any questions regarding this matter. The Company renews its request for an order approving an extension to file its next rate case on or before February 8, 2000.

The Commission has reviewed the Motion for Reconsideration and Rehearing filed by the Company. The Commission notes that Staff and Public Counsel did not file a response to the Company's motion. The Commission will convene an oral argument on the Motion for Reconsideration and Rehearing filed by the Company. The parties should be prepared to answer questions from the Commissioners regarding the issues raised in the Company's motion. The Commission determines that the filing date for the rate case should be extended three months from April 8 to June 8 to allow time for review of the Company's motion.

IT IS THEREFORE ORDERED:

- 1. That the Commission shall convene an oral argument on Southern Missouri Gas Company's Motion for Reconsideration and Rehearing at 9:00 a.m. on March 30, 1998, in the Commission's hearing room 520A. That any person 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 oral argument at one of the following numbers: Consumer Services Hotline -- 1-800-392-4211 or TDD Hotline -- 1-800-829-7541.
- 2. That Southern Missouri Gas Company is granted an extension to file its rate case from April 8, 1998, to June 8, 1998.

3. That this order shall become effective on March 24, 1998.

BY THE COMMISSION

Ask Hard Roberts

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray, and Drainer, CC., concur.

G. George, Regulatory Law Judge