

RS

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 4th  
day of November, 1998.

In the matter of Southern Missouri Gas Company       )  
L.P.'s tariff revision designed to be reviewed       )  
in its 1997-1998 Actual Cost Adjustment for the       )  
Missouri service area of the company.                )  
Case No. GR-99-178

**ORDER APPROVING INTERIM RATES**

Southern Missouri Gas Company, L.P. (SMGC or Company) of Mountain Grove, Missouri, submitted a tariff sheet to the Commission on October 22, 1998, carrying an effective date of November 1, 1998. On October 29, 1998, SMGC filed a letter requesting a waiver from its PGA tariff provisions to allow the tariff sheet to become effective on November 5, 1998. The tariff sheet was filed to reflect scheduled changes in SMGC's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season. Additionally, this tariff filing reflects changes in the Actual Cost Adjustment (ACA) factors. The effect of these changes will decrease the firm PGA factor for the 1998-1999 winter season to \$0.3144 per Ccf from the current firm PGA factor of \$0.3187 per Ccf. This represents an approximate decrease of 1% in gas costs for consumers.

On November 3, 1998, SMGC filed a letter requesting one-time waivers that would waive the collection of interest on under-recovered Deferred Carrying Cost Balances (DCCB) for a one year period and allow a three year recovery of the 1996-1997 ACA balance of \$219,357. On November 3, 1998, the Staff of the Commission (Staff) filed a memorandum stating that if the three waivers from SMGC's approved PGA Clause that were requested by the Company are granted,

Staff recommends that the Commission approve the tariff sheet to become effective on November 5, 1998. Staff also recommends that the tariff sheet be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-97-234 and GR-99-178. Staff also requested that the Commission's Procurement Analysis Department be given the time necessary to conduct its audit and submit its results and recommendations regarding this ACA filing on or before August 1, 1999.

The Commission has reviewed the tariff sheet, Staff's recommendation and request, and finds that the three waivers are reasonable. In addition, the Commission finds that the tariff sheet, in conjunction with the three waivers, is also reasonable. After considering Staff's recommendation, the Commission finds that the proposed tariff sheet should be approved to become effective on and after the requested effective date of November 5, 1998, interim subject to refund.

**IT IS THEREFORE ORDERED:**

1. That a one-time waiver from SMGC's Commission approved PGA tariff sheets be granted to allow an effective date of November 5, 1998.

2. That a one-time waiver from SMGC's Commission approved PGA tariff sheets be granted eliminating the interest provisions for under-recovered DCCB balances for a one year period.

3. That a one-time waiver from SMGC's Commission approved PGA tariff sheet be granted to allow a three year recovery of 1996-1997 ACA balance of \$219,357.

4. That the tariff sheet submitted on October 22, 1998, by Southern Missouri Gas Company, L.P. of Mountain Grove, Missouri, for the purpose of reflecting changes in rates for natural gas in its Missouri service territory, is approved on an interim basis, subject to refund, to become effective on November 5, 1998. The tariff sheet approved is:

5. That the Commission's Procurement Analysis Department be given the time necessary to conduct its audit and report its results and recommendations regarding this ACA filing on or before August 1, 1999.

6. That this order shall become effective November 5, 1998.

BY THE COMMISSION

A handwritten signature in cursive script that reads "Dale Hardy Roberts".

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

Lumpe, Ch., Murray, Schemenauer,  
Drainer, CC., concur.  
Crumpton, C., absent.