

SECOND CUSTOMER NOTICE

November 24, 2010

Dear Customer:

On May 21, 2010, Southern Missouri Natural Gas Company (Company) submitted a request for an increase in its annual natural gas operating revenues to the Missouri Public Service Commission (Commission). By its request, the Company was seeking changes to its customer rates intended to generate an increase in its annual natural gas operating revenues.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon the results of its audit and investigation, the Commission Staff has concluded that an increase of \$1,937,529 in the Company's annual natural gas revenues is warranted, that changes to and the addition of certain service charges are warranted, that changes to the service connection fees are warranted, that changes in the manner the Company's rates are designed are warranted, and that certain changes to the Company's system operations and business operations are warranted. The Company has agreed with the Commission Staff's audit findings and conclusions, and has entered into an agreement with the Commission Staff to implement those findings and conclusions. Set out at the end of this notice is a table that includes a monthly bill comparison for a residential customer using 50 Ccf.

The Office of the Public Counsel (OPC), a state agency responsible for representing the interests of utility consumers before the Commission, has reviewed the results of the Commission Staff's investigation and the related Company/Staff agreement. However, the OPC has not yet taken a final position regarding those results or the provisions of the agreement.

Any customer that has comments about the proposed revisions to the Company's rates and charges, or that has comments regarding service-related problems, should contact the Commission Staff and/or the OPC ***within 20 days of the date of this notice***. To do so, please use the mailing addresses, telephone numbers, fax numbers or e-mail addresses shown below. You may also submit comments via the Commission's Website by following the instructions in the following paragraph. Regardless of how you submit your comments, please include a reference to Case No. GR-2010-0347.

Public Service Commission
Attn: Natural Gas Dept.
P.O. Box 360
Jefferson City, MO 65102
Phone: 800-392-4211
Fax: 573-751-1847
E-Mail: pscinfo@psc.mo.gov

Office of the Public Counsel
Attn: Natural Gas Dept.
P.O. Box 2230
Jefferson City, MO 65102
Phone: 866-922-2959
Fax: 573-751-5562
E-Mail: mopco@ded.mo.gov

To submit your comments via the Commission's Website, please do as follows: (1) go to <http://www.psc.mo.gov>; (2) click on the "Submit Comments" box on the right side of the page; (3) From this page, click on the "Public Comment" link found under Submit Public Comments, (4) complete the information requested, (5) if you want to attach a document, click the "Attach" button and follow the instructions on that page; and (6) click the "Submit" button, be sure to include the case number shown above.

Second Notice re: Revenue Increase Request
November 24, 2010

Depending upon the responses to this notice, the OPC may request that the Commission hold a local public hearing. Regardless of whether a local public hearing is held, no changes to the Company's rates will take effect without the specific approval of the Commission.

Lastly, please be advised that all currently available information regarding the Company's revenue increase request may be obtained via the Commission's Website as follows, and please also note that this information will be updated as the subject case moves forward.

- * Go to <http://www.psc.mo.gov>
- * In the menu column on the left side of the page click on "EFIS/Case Filings".
- * Scroll down to "View Information on a Specific Case" and click on the "Docket Sheet" link.
- * From the Docket Sheet page, enter GR-2010-0347 in the Case Number Field. and press the Enter key on your keyboard (this will bring up a page that contains all of the documents that have been filed in the case to date).
- * To view a particular document, click on the item number in the left column.
- * A second window will open. Click on the document link to view the document.

If you have questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at 417-926-7533.

Sincerely,

Kris James
Controller

<u>Type of Charge</u>	<u>Current Rates/Charges</u>	<u>Proposed Rates/Charges</u>	<u>Amount of Rate/Charge Change</u>
Monthly Minimum Charge	\$10.00	\$10.00	\$0.00
Usage (per Ccf)	\$.357	\$.471	\$0.114
Total Monthly Bill (at 50 Ccf usage)	\$27.85	\$33.55	\$5.70