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January 29, 2001

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**FILED**<sup>3</sup>

JAN 29 2001

Missouri Public  
Service Commission

**RE: Southern Missouri Gas Company, L.P.,  
Case No. GR-2001-388**

Dear Mr. Roberts:

Enclosed for filing in the above referenced case, please find the original and 8 copies of **Office of the Public Counsel's Request for an Emergency Actual Cost Adjustment (ACA) Review of Southern Missouri Gas Company, L.P.'s Gas Purchasing Practices for the Winter 2000-2001 and Motion for Expedited Treatment**. Please "file stamp" the extra enclosed copy and return it to this office. I have on this date mailed, faxed, or hand-delivered the appropriate number of copies to all counsel of record.

Thank you for your attention to this matter.

Sincerely,

Douglas E. Micheel  
Senior Public Counsel

DEM:kh

cc: Counsel of Record

Enclosure

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

**FILED<sup>3</sup>**

JAN 29 2001

In the matter of Southern Missouri Gas           )  
Company, L.P.'s Purchased Gas Adjustment    )  
factors to be reviewed in its 2000 – 2001       )  
Actual Cost Adjustment                            )

Case No. GR-2001-388

Missouri Public  
Service Commission

**OFFICE OF THE PUBLIC COUNSEL'S REQUEST FOR  
AN EMERGENCY ACTUAL COST ADJUSTMENT (ACA)  
REVIEW OF SOUTHERN MISSOURI GAS COMPANY, L.P.'S GAS  
PURCHASING PRACTICES FOR THE WINTER 2000-2001  
AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW the Office of the Public Counsel ("Public Counsel") and requests that the Commission order an emergency Actual Cost Adjustment review of Southern Missouri Gas Company, L.P.'s ("SOMO") gas procurement practices relating to the winter of 2000–2001. In support of this request Public Counsel states as follows:

1. On January 6, 2001 SOMO filed a request with the Commission to make an unscheduled winter adjustment to the PGA rate. The new PGA rate proposed is \$0.9035 per Ccf. SOMO requested the rates be effective February 1, 2001. These proposed rates reflect a 36.35% increase.

2. Due to the magnitude of the increase in the PGA rate during the winter heating season, November 1, 2000 to April 1, 2001, Public Counsel requests the Commission order an emergency actual cost adjustment ("ACA") review of SOMO's gas procurement practices related to the winter heating season November 1, 2000 to April 1, 2001.

3. Under traditional Commission practice, the gas procurement practices of SOMO during the winter of 2000-2001 would be reviewed in an ACA period from September 2000

through August 2001. However, the review of this ACA period would not begin until SOMO places its ACA rate into effect in November 2001. After SOMO's ACA rate is approved the Staff procurement analysis department takes seven to ten months to audit the September 2000 through August 2001 ACA period. Under traditional practice, Staff's recommendation regarding SOMO's procurement practices during the winter of 2000-2001 would not be made until June 2002. Only after Staff's recommendation is made regarding the ACA period from September 2000 through August 2001 will the Commission begin the open-ended hearing process. Thus under traditional practice SOMO's gas procurement processes for the winter of 2000-2001 will not be reviewed by the Commission until 2003.

4. Public Counsel believes this Commission should order an emergency ACA review of SOMO's gas procurement practices relating to the winter PGA period November 1, 2000 through April 1, 2001, for the following reasons: 1) the extraordinary increases in SOMO's PGA rate; 2) the impact these increases have had on SOMO's customers and 3) the substantial regulatory lag engendered by the traditional ACA review process.

5. This emergency ACA review would allow the Commission to expeditiously review SOMO's gas procurement practices to determine whether or not SOMO acted prudently in procuring its natural gas supplies for the winter of 2000-2001. In light of the hardships experienced by SOMO's customers as a result of the extraordinarily high natural gas prices customers should not be made to wait nearly three years for a determination regarding the reasonableness of SOMO's purchase gas adjustment rates.

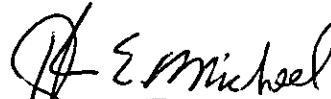
6. Public Counsel requests that the Commission order a procedural schedule to be established so that the Commission's order reviewing SOMO's gas procurement practices related to the winter of 2000-2001 is effective no later than October 1, 2001.

WHEREFORE, Public Counsel requests the Commission order an emergency actual cost adjustment review relating to Southern Missouri Gas Company, L.P.'s gas purchasing practices related to the winter heating season November 1, 2000 to April 1, 2001. Public Counsel requests the Commission order a procedural schedule established so the Commission can resolve this matter no later than October 1, 2001.

Respectfully submitted,

**OFFICE OF THE PUBLIC COUNSEL**

BY:



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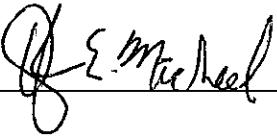
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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing has been faxed, mailed or hand-delivered to the following counsel of record on this 29th day of January, 2001:

Thomas Schwarz  
Missouri Public Service Commission  
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Jefferson City, MO 65102

James M. Fischer  
Fischer & Dority  
101 Madison, Suite 400  
Jefferson City, MO 65101

  
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