

NEWS RELEASE

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OFFICE OF THE PUBLIC COUNSEL FILES COMPLAINT AGAINST SOUTHERN MISSOURI GAS COMPANY FOR FAILURE TO ADEQUATELY PROTECT CONSUMERS AGAINST NATURAL GAS PRICE VOLATILITY

JEFFERSON CITY --- The Office of the Public Counsel, Missouri's utility consumer advocate, today filed a complaint with the Missouri Public Service Commission alleging that Southern Missouri Gas Company, L.P., a natural gas transmission and distribution system located in southern Missouri, has failed to adequately plan its gas purchases in order to protect its natural gas customers from gas price spikes for the coming winter months of November through March.

"As it now stands, customers of Southern Missouri Gas (Company) will have an increase in their natural gas prices this winter of at least 43%", said Lewis R. Mills, Missouri's Public Counsel.

In 2003, the Missouri Public Service Commission issued a rule applicable to all natural gas companies in Missouri requiring such utilities to "structure their portfolios of (gas purchase) contracts with various supply and pricing provisions in an effort to mitigate upward natural gas price spikes, and provide a level of stability of natural gas prices". Public

Counsel's complaint claims that Southern Missouri Gas Company has not complied with the Commission's rule.

In his statement, Mills added, "The only thing Southern Missouri Gas has done for this winter is to lock in a small discount off of the market price for natural gas. This does nothing to protect its customers from the volatility of the market price for natural gas." Mills described Southern Missouri Gas Company's purchasing strategy as nothing more than "a gamble based on a hope" that prices would decline.

Southern Missouri Gas Company has a distribution system of approximately 150 linear miles, which serves 12 communities in southern Missouri from Marshfield to Cabool and to West Plains.

The Office of Public Counsel is the state's designated advocate on behalf of the consumers of regulated utilities.

The Public Counsel's complaint has been designated Case No. GC-2006-0180 on the Public Service Commission's docket.