

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's Purchased)
Gas Adjustment (PGA) Factors to be Audited in its) **Case No. GR-2005-0169**
2004-2005 Actual Cost Adjustment) Tariff No. YG-2005-1114

ORDER APPROVING INTERIM RATES

Issue Date: June 28, 2005

Effective Date: July 1, 2005

On June 16, 2005, Missouri Gas Energy, a division of Southern Union Company (MGE), filed a tariff sheet that carries an effective date of July 1, 2005. The tariff sheet reflects scheduled changes in MGE's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the remaining portion of the summer season.

On June 24, the Staff of the Commission filed its Recommendation and Memorandum. Staff recommends that MGE's proposed tariff sheet be approved for service on and after July 1, as an interim rate, subject to refund.

The net effect of the changes made by the tariff will increase the firm PGA factor for the remaining portion of the summer season to \$0.91504 per Ccf, compared to the current PGA factor of \$0.68611 per Ccf.

Staff states that MGE's proposed PGA factor changes were calculated in conformity with its PGA clause. Staff further states that MGE's PGA clause allows for ten business days' notice for filings reflecting PGA changes and that good cause exists to approve the proposed tariff sheet on less than 30 days' notice. Staff recommends that the Commission

approve the tariff sheet to become effective July 1, on an interim basis, subject to refund, pending a final Commission decision in this and prior cases.

The Commission has reviewed the proposed tariff sheet and Staff's Memorandum and Recommendation. The Commission finds that the tariff sheet conforms to MGE's Commission-approved PGA Clause and is, therefore, reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes that the proposed tariff sheet should be approved to become effective on and after the requested effective date of July 1, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the proposed tariff sheet filed on June 16, 2005, by Missouri Gas Energy, a division of Southern Union Company, is approved on an interim basis, subject to refund, for service rendered on and after July 1, 2005. The tariff sheet approved is:

P.S.C. MO. No. 1

7th Revised Sheet No. 24.3, Canceling 6th Revised Sheet No. 24.3

2. That this order shall become effective on July 1, 2005.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Morris L. Woodruff, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 28th day of June, 2005.