

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-2005-0104**
2003-2004 Actual Cost Adjustment)

ORDER DIRECTING PARTIES TO INDICATE WHETHER ANY ISSUES
REMAIN TO BE RESOLVED

Issue Date: October 19, 2007

Effective Date: October 19, 2007

This case was established to consider Staff's audit of Missouri Gas Energy's 2003-2004 Actual Cost Adjustment. In its recommendations resulting from that audit, filed on December 29, 2005, Staff recommended monetary adjustments related to two issues that were already pending before the Commission in earlier MGE ACA cases. Since the 2003-2004 ACA audit could not be resolved until those earlier cases were resolved, the Commission, on April 28, 2006, suspended this proceeding until those earlier cases could be completed.

Staff's first proposed adjustment was a reduction of \$2,233,540 in gas costs for imprudently incurred transportation costs under MGE's contract with Kansas Pipeline Company. In a decision issued on January 30, 2007, the Missouri Supreme Court held that further Commission prudence reviews of the Kansas Pipeline contract were precluded by a stipulation and agreement approved by the Commission in 1996.¹

Staff's second proposed adjustment was a reduction of \$2,044,795 in gas costs for

¹ *State ex rel. Riverside Pipeline Co. v. Pub. Serv. Comm'n*, 215 S.W.3d 76 (Mo. 2007).

excess reserve margin for unneeded pipeline capacity. The Commission decided that issue in favor of MGE in a Report and Order issued October 2, 2007, in Case No. GR-2003-0330, relating to MGE's 2002-2003 ACA case.

Since Staff's two proposed adjustments have been rejected in other proceedings, it seems that no issues remain for resolution in this case. However, the Commission will offer the parties an opportunity to explain what, if anything, needs to be done to resolve this case.

IT IS ORDERED THAT:

1. No later than November 2, 2007, the parties shall file pleadings indicating whether any issues remain to be resolved.
2. This order shall become effective on October 19, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

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

Dated at Jefferson City, Missouri,
on this 19th day of October, 2007.