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October 2, 2002

Secretary  
Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

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

OCT 02 2002

Missouri Public  
Service Commission

**RE: Case No. GR-2001-382**

Dear Sir:

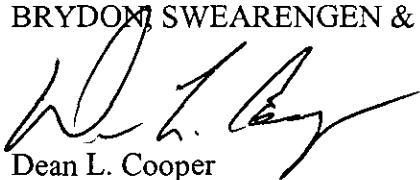
Enclosed for filing in the above-referenced proceeding please find an original and eight copies of the Reply Concerning Rehearing and Reconsideration. Please stamp the enclosed extra copy of each "filed" and return same to me.

If you have any questions concerning this matter, then please do not hesitate to contact me.  
Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

  
Dean L. Cooper

DLC/tli

Enclosures

cc: Thomas R. Schwarz  
John Coffman  
James B. Deutsch  
Jeffrey A. Keevil  
Robert Hack

OCT 02 2002

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

Missouri Public  
Service Commission

In the Matter of Missouri Gas Energy's Purchased	)	
Gas Adjustment Tariff Revisions to be Reviewed	)	Case No. GR-2001-382
in its 2000-2001 Actual Cost Adjustment.	)	

In the Matter of Missouri Gas Energy's Purchased	)	
Gas Cost Adjustment Factors to be Reviewed	)	Case No. GR-2000-425
in its 1999-2000 Actual Cost Adjustment.	)	

In the Matter of Missouri Gas Energy's Purchased	)	
Gas Cost Adjustment Factors to be Reviewed	)	Case No. GR-99-304
in its 1998-1999 Actual Cost Adjustment.	)	

In the Matter of Missouri Gas Energy's Purchased	)	
Gas Cost Adjustment Tariff Revisions to be	)	Case No. GR-98-167
Reviewed in its 1997-1998 Actual Cost Adjustment.	)	

**REPLY CONCERNING REHEARING AND  
RECONSIDERATION**

Comes now Missouri Gas Energy ("MGE"), a division of Southern Union Company, by and through its counsel, and in reply to the responses filed by the Staff of the Missouri Public Service Commission ("Staff"); the Office of the Public Counsel ("OPC"); and, Riverside Pipeline Company, L.P., Mid-Kansas Partnership and Kansas Pipeline Company (collectively, "Intervenors"), concerning the pending rehearing and reconsideration requests, respectfully states as follows:

1. Post order motions for reconsideration and rehearing were filed separately by MGE and the Intervenors in response to the Public Service Commission's ("Commission") September 10, 2002, Order Consolidating Cases, Finding Jurisdiction to Proceed and Directing the Parties to File a Proposed Procedural Schedule.

## PROCEDURAL SCHEDULE

2. MGE, in its Application for Rehearing and Motion for Reconsideration, requested, in part, that the Commission not bifurcate the issues in these consolidated cases and, instead, move forward with all issues in one hearing. In response, the Intervenor took the opposite position and supported bifurcation of the contract adjustments related to their operations until such time as pending appeals can be completed.

3. The Staff's response agreed with the MGE position, stating, in part, that "the possible inconvenience to the parties of litigating all issues cannot countervail against the almost certain substantial additional uncertainty and delay of postponing issues for later decision." This is a nice assessment of the situation. Delaying the contract adjustment issues to an unknown future date, in this circumstance, does not serve the interests of either MGE or its customers.

4. The OPC's response indicates that it believes the "Order is sound and that MGE's and [the Intervenor's] request for rehearing and/or reconsideration should be rejected." However, it also states that "[t]hese cases have been pending for quite some time and consolidation will allow the Commission to finally dispose of these cases." This desire to move toward a final disposition of the cases is actually consistent with the positions taken by MGE and the Staff. As explained in MGE's motion, only by moving forward with all issues will it be possible to reach a final disposition of these four cases in a timely manner. Additionally, the OPC closes by stating that "Public Counsel requests the Commission deny the motions for rehearing/reconsideration and proceed to hear *all issues in these consolidated cases*" (emphasis added). This outcome can

be accomplished if the Commission follows the approach outlined by MGE and proceeds with all outstanding issues in one hearing.

### **FILED RATE DOCTRINE**

5. The Staff did not specifically address that aspect of MGE's motion which discussed the filed rate doctrine. The OPC merely stated that the motions should be rejected, without any specific discussion of this issue. As to the Commission's decision that "the filed-rate doctrine does not preclude it from considering the adjustment proposed by Staff," MGE reiterates that it seeks the Commission's confirmation that it is not making a "final decision" on this issue and that the parties' ability to present evidence to the Commission concerning this issue as the case progresses has not been foreclosed.

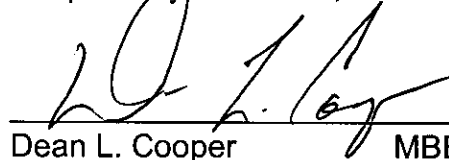
### **CONCLUSION**

6. MGE believes that the issues concerning the appropriate procedural schedule and the clarification sought as to the Commission's decision on the filed rate doctrine are ripe for Commission decision and asks that the Commission issue a decision so that these cases can proceed.

WHEREFORE, MGE seeks reconsideration by the Commission of the bifurcation of the hearing in these consolidated cases and an order which calls for a hearing on all issues at the same time. Further, MGE seeks reconsideration and rehearing by the Commission as to its decision that "the filed-rate doctrine does not preclude it from

considering the adjustment proposed by Staff."

Respectfully submitted,



Dean L. Cooper

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MBE #24905

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Attorneys for Missouri Gas Energy

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was hand-delivered, on this 2<sup>nd</sup> day of October, 2002, to:

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