

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri Gas)
Energy, a Division of Southern Union Company, for an) **Case No. GA-2002-377**
Accounting Authority Order Relating to Commission)
Rule 4 CSR 240-13.055(13))

DISSENTING OPINION OF COMMISSIONER STEVE GAW

I cannot agree with the Commission's decision to approve the Unanimous Stipulation and Agreement by which Missouri Gas Energy will receive an Accounting Authority Order relating to its belated quasi compliance with the emergency cold weather rule.

MGE only came into partial compliance with the emergency rule on February 27, after the worst of the season's cold weather had passed. The emergency rule was intended to benefit hard hit natural gas customers during the long cold months of the winter. Instead, MGE denied its customers relief until it was nearly spring.

Despite the delay resulting from MGE's opposition to the rule, the AAO granted to MGE may permit it to reap all the benefits available to it under the emergency rule while its customers only benefited from the emergency rule for one month. That is an unjust result.

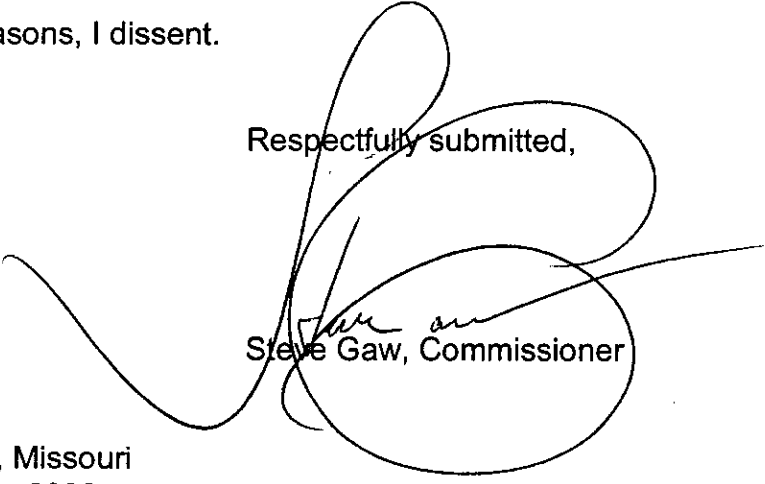
I am also troubled by the unanimous stipulation and agreement's linkage of the approval of the AAO in this case to the dismissal of MGE's lawsuit against the Commission, currently pending in the Circuit Court of Cole County.

That linkage creates the appearance that the Commission may have approved this AAO in order to settle the lawsuit pending against it. That calls into question the Commission's impartiality and leaves the impression that MGE has somehow pressured the Commission into approving the AAO. Argument for dismissal of the case should have been done by separate argument that did not come before the Commission as a part of this case.

I believe that the Commission has acted impartially in this case, and I know that the Commission strongly believes that it acted appropriately when it promulgated the emergency cold weather rule. The Commission certainly has not offered anything to MGE in exchange for dropping its challenge to the cold weather rule. But appearances are important, important enough for me to oppose this stipulation and agreement.

For these reasons, I dissent.

Respectfully submitted,



Steve Gaw, Commissioner

Dated at Jefferson City, Missouri
on this 14th day of June, 2002.