

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 28th day
of December, 2006.

In the Matter of Missouri Gas Energy's Tariffs)	
Increasing Rates for Gas Service Provided)	<u>Case No. GR-2006-0422</u>
to Customers in the Company's Missouri)	
Service Area)	

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: December 28, 2006

Effective Date: December 28, 2006

On May 2, 2006, Missouri Gas Energy, a division of Southern Union Company, filed tariffs sheets with the Missouri Public Service Commission to implement a general rate increase for natural gas service in the annual amount of \$41,651,345. The case is now progressing as ordered in the Procedural Schedule and the evidentiary hearing will begin on January 8, 2007. On December 8, 2006, Missouri Gas Energy, the Staff of the Commission, the Office of the Public Counsel, Missouri Gas Users Association, the University of Missouri – Kansas City, Central Missouri State University and the County of Jackson, Missouri submitted a Partial Nonunanimous Stipulation and Agreement for Commission approval. Although the City of Kansas City and Trigen-Kansas City Energy Corporation are the only parties who did not join in the agreement, they do not oppose it.

The signatories agree on the following with regard to class cost of service:

- Any increase in revenue shall be spread among all customer classes as an equal percentage of the normalized present non-gas revenues of each customer class without any interclass revenue shifts. Normalized present non-gas revenues of each customer class shall be the amount determined by the Commission representing the weather-normalized class test year revenues.

- The revenue increase so allocated to the Large Volume Class shall be collected from customers by increasing the monthly charges as described in the following subparagraphs:
 - The present charge of \$204.65 shall receive the same percentage increase as is applied to overall system revenue. The additional revenue generated shall be the product of the increase in the charges [multiplied by] the billing units of 318.
 - The remainder of the increase in the LV class revenue shall be collected via an increase in the present \$478.75 Customer Charge. Such Customer Charge increase shall be determined by dividing the difference between the revenue increase for the LV class increase and revenue to be derived from the multi-meter increase divided by the Customer Charge billing units of 5632.

Discussion

Although the partial stipulation and agreement represents that it is nonunanimous and was not signed by all the parties, Commission rule 4 CSR 240-2.115(2) provides that other parties have seven days in which to object. If no party files a timely objection, then the Commission may treat it as a unanimous stipulation and agreement. No party has so objected. Further, the signatories indicate in the stipulation and agreement that the nonsignatories have stated that they do not oppose the agreement

Staff filed suggestions in support of the partial stipulation and agreement on December 14. The signatories agree that Staff may answer any Commission question during any agenda meeting at which this agreement is noticed.

Conclusion

After reviewing the partial stipulation and agreement and Staff's suggestions in support thereof, the Commission finds that the partial stipulation and agreement should be approved as a resolution of the issues therein addressed.

IT IS ORDERED THAT:

1. The Partial Stipulation and Agreement filed on December 8, 2006, between Missouri Gas Energy, the Staff of the Commission, the Office of the Public Counsel, Missouri Gas Users Association, the University of Missouri – Kansas City, Central Missouri State University and the County of Jackson, Missouri is approved as a resolution of the issues therein addressed.

2. This order shall become effective on December 28, 2006.

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)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Jones, Senior Regulatory Law Judge