

STEWART & KEEVIL, L.L.C.

ATTORNEYS AT LAW

CHARLES BRENT STEWART
JEFFREY A. KEEVIL

1001 CHERRY STREET
SUITE 302
COLUMBIA, MISSOURI 65201-7931

TELEPHONE (573) 499-0635
FACSIMILE (573) 499-0638

May 2, 2003

FILED⁴

MAY 02 2003

**Missouri Public
Service Commission**

Missouri Public Service Commission
Attn: Secretary of the Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, Mo. 65102-0360

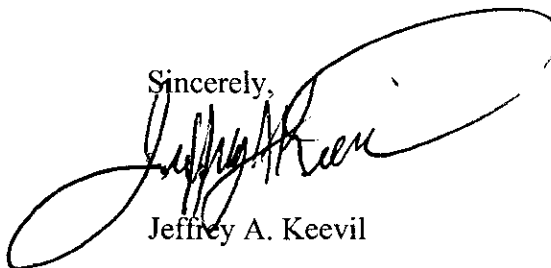
RE: Case No. GR-2001-382 (consolidate with case numbers GR-2000-425, GR-99-304 and GR-98-167)

Dear Mr. Roberts:

Enclosed for filing in the above-referenced consolidated case is an original and the appropriate number of copies of STATEMENTS OF POSITION on behalf of Riverside Pipeline Company, L.P., Mid-Kansas Partnership and Kansas Pipeline Company (collectively "KPC").

Copies of this filing have on this date been mailed, hand-delivered, transmitted by facsimile or emailed to counsel of record. Thank you for your attention to this matter.

Sincerely,



Jeffrey A. Keevil

JAK/er
Enclosures
Cc: counsel of record

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

FILED⁴
MAY 02 2003

*Missouri Public
Service Commission*

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

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

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

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

STATEMENTS OF POSITION

COME NOW Riverside Pipeline Company, L.P., Mid-Kansas Partnership and Kansas Pipeline Company (collectively herein "KPC") and pursuant to the Commission's scheduling order in this case respectfully submit the following statements of position in regard to the issues list filed herein by Staff on April 29, 2003:

1. MGE is entitled to recover in rates all prudently incurred gas costs. MGE owns long-term capacity on Kansas Pipeline Company, to meet customer demands but did not use it in the summer months of the 2000/2001 ACA period. Was MGE's decision not to post the KPC capacity for release, or alternatively, release equivalent Williams

capacity within the range of prudent behavior; and, if not, is \$858,158 an appropriate measure of economic harm?

Position: MGE's decision was within the range of prudent behavior and Staff's proposed disallowance is not warranted.

2. MGE is entitled to recover all prudently incurred gas costs. Staff maintains that MGE should have hedged at a minimum 30% of each winter month's normal volumes; MGE maintains there was no hedging standard in place prior to the winter of 2000/2001 but, regardless, hedged 38% of normal winter volumes. Was MGE's hedging conduct within the range of prudent behavior for the winter of 2000/2001; if not, is \$614,365 an appropriate measure of economic harm?

Position: KPC takes no position on this issue at this time but reserves the right to cross-examine witnesses and submit briefs regarding this issue.

3. MGE is entitled to recover in rates all prudently incurred gas costs. MGE utilizes natural gas from first-of-month contract purchases, intra-month contract purchases and storage to meet its customers' heating season requirements. Was MGE prudent in its management of first-of-month and intra-month contract purchases and use of storage withdrawals; and, if not, is \$8,051,049 an appropriate measure of economic harm?

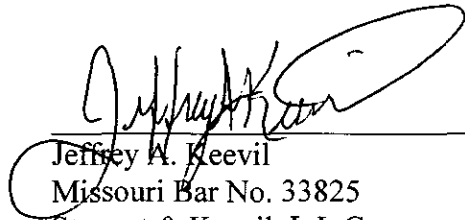
Position: KPC takes no position on this issue at this time but reserves the right to cross-examine witnesses and submit briefs regarding this issue.

4. In July 2000, MGE filed an annual "Reliability Report" pursuant to a Commission order in a prior case. Staff reviewed the peak day and reliability information and the rationale for the reserve margin and has recommended in this case

that the Commission order MGE to provide additional reliability information. Is this case an appropriate forum in which to consider the issue, and, if so, should the Commission order MGE to provide the requested reliability information?

Position: KPC takes no position on this issue at this time but reserves the right to cross-examine witnesses and submit briefs regarding this issue.

Respectfully submitted,



Jeffrey A. Keevil
Missouri Bar No. 33825
Stewart & Keevil, L.L.C.
1001 Cherry Street, Suite 302
Columbia, Missouri 65201
(573) 499-0635
(573) 499-0638 (fax)
per594@aol.com
ATTORNEY FOR KANSAS
PIPELINE COMPANY, RIVERSIDE
PIPELINE COMPANY, L.P. AND MID-
KANSAS PARTNERSHIP

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to counsel of record on this 2nd day of May, 2003.

