



MISSOURI GAS ENERGY

3420 Broadway, • Kansas City, MO • 64111-2404 • (816) 360-5605

CHARLES B. HERNANDEZ
DIRECTOR, PRICING AND REGULATORY AFFAIRS

April 3, 1997

FILED

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MISSOURI
PUBLIC SERVICE COMMISSION

Mr. Cecil I. Wright
Executive Secretary
Missouri Public Service Commission
301 West High Street
Jefferson City, Missouri 65102-0360

Re: GR-96-450

Dear Mr. Wright:

Transmitted herewith are three copies of the Experimental Gas Cost Incentive Mechanism tariff sheet, P.S.C.MO. No. 1, Tenth Revised Sheet No. 24.13, canceling, P.S.C.MO. No. 1, Ninth Revised Sheet No. 24.13. The revised sheet bears an issue date of April 4, 1997, an effective date of April 17, 1997, and reflects a decrease in the EGCIM rates resulting from a decrease in natural gas costs.

The proposed adjustments have the net effect of decreasing revenues in MGE's service area by \$66,340,569.56 annually. This represents an overall 28.3% decrease in revenues as calculated on Page 9 of the attached worksheets. The change in the commodity charges reflects a decrease of \$ 0.9548 per Mcf.

Due to the extreme increases in natural gas prices this season and the corresponding financial impacts experienced by all of our customers, MGE respectfully requests expedited and accelerated implementation of the decrease. To accomplish this, MGE requests a one-time waiver of the 10 business day filing requirement contained in its EGCIM tariff.

Please bring this filing to the attention of the Commission for approval under the provisions of Sheet Nos. 24.2 and 24.3 of the Company's tariff and return one stamped copy for our files. In addition, please forward copies of any Commission order or notice associated with this filing to:

Mr. Gary W. Duffy
Brydon, Swearingen & England P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102-0456
(573)635-7166

Mr. Charles B. Hernandez
Director, Pricing and Regulatory Affairs
Missouri Gas Energy
3420 Broadway
Kansas City, Missouri 64111
(816)360-5605

Sincerely,

cc: Office of Public Counsel
Mr. Gary Duffy
Mr. Jay Cummings - SUG
Mr. Ken Hubbard - SUG
Mr. Mike Langston - SUG
Mr. Dennis Gillmore - MGE

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OCT 12 2001
Missouri Public
Service Commission

Exhibit No. 24
Date 9-20-01 Case No. GR-96-450
Reporter xx

Missouri Gas Energy,
a Division of Southern Union Company
Name of Issuing Corporation

For: All Missouri Service Areas
Community, Town or City

EXPERIMENTAL GAS COST INCENTIVE MECHANISM
EGCIM

9. ADJUSTMENT STATEMENT

As provided in this Experimental Gas Cost Incentive Mechanism, the following adjustments per MCF will become effective with billings on and after the effective date of this tariff sheet.

Customer Class	C.C.G.	A.R.E.	Refund	I.O.P.	I.C.	Total E.G.C.I.M.
Residential	\$2.4078	(\$0.1191)	(\$0.0025)	\$0.0517	\$0.0763	\$2.4142
Small General Service	\$2.4078	(\$0.1191)	(\$0.0025)	\$0.0517	\$0.0763	\$2.4142
Large General Service	\$2.4078	(\$0.1191)	(\$0.0025)	\$0.0517	\$0.0763	\$2.4142
Unmetered Gas Light (1)	\$2.4078	(\$0.1191)	(\$0.0025)	\$0.0517	\$0.0763	\$2.4142
Large Volume Sales (3)	\$2.4078	(\$0.1191)	\$0.0000	\$0.0517	\$0.0763	\$2.4167
Large Volume Trans. (2)(4)				\$0.0517	\$0.0512	\$0.1029

- 1 Each Unmetered Gaslight Unit is equal to 1.5 Mcf.
- 2 Demand related purchase gas costs of \$6.6255 per Mcf of contract demand and \$0.2179 per Mcf of daily demand for authorized sales in excess of the contract demand are directly chargeable to customers on this rate.
- 3 Applies to Sales Service only.
- 4 Applies to Transportation Service, Intrastate Transportation Service and Whiteman Air Force Base.

DATE OF ISSUE: April 4 1997
month day year

DATE EFFECTIVE: April 17 1997
month day year

ISSUED BY: Charles B. Hernandez Director, Pricing and Regulatory Affairs
Missouri Gas Energy
Kansas City, Missouri 64111

MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY

CURRENT COST OF GAS RATE CALCULATION

APPLICABLE TO: RS, SGS, LGS, UG, LV

April 1997

Calculated Transportation and Storage Rate per page 3	\$	1.0811
Calculated Commodity Rate per page 4	\$	2.1083
Calculated Storage Gas Commodity Costs per page 5	\$	(0.2396)
Commodity Prior Period Adjustment per page 6	\$	0.3122
Stored Gas Commodity Cost Prior Period Adjustment per page 7	\$	(0.8542)
TOTAL CURRENT COST OF GAS RATE	\$	<u>2.4078</u>

MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY

ANNUAL TRANSPORTATION AND STORAGE
RATE CALCULATION

ANNUAL TRANSPORTATION COSTS

APPLICABLE TO: RS, SGS, LGS, UG, LV

April 1992

(C)	(E)	(D)	(F) = (D) x (E) x # of applicable months	(G) = (F) x (D)	(H) = (F) x (F)	(I)	
Supplier	Effective Date of Supplier Price	Estimated DKT Purchased	Estimated Demand Changes	Estimated Commodity Changes	Estimated Total Cost	Average Cost per DKT	
Volumes supplied over Williams Natural Gas rotation (NMG Substate Eleventh Revised Sheet No. 6 effective March 1, 1997) (NMG Nineteenth Revised Sheet No. 6A effective March 1, 1997)							
TS3-44	No Notice Fee	02/01/97	749,625	\$	138,531	\$	0.0154
	Reservation - FTS - Production	02/01/97	228,271	\$	17,614,289	\$	5.6834
	Reservation - FTS - Market	02/01/97	749,625	\$	25,562,512	\$	2.8417
	Reservation - FTS - Market - GRI	02/01/97		\$	1,439,200	\$	0.1600
	Commodity - FTS - Production	02/01/97	50,580,141	\$	626,946	\$	0.0124
	Commodity - FTS - Market	02/01/97	58,387,504	\$	355,164	\$	0.0061
	Commodity - FTS - Market - GRI	02/01/97	58,387,504	\$	513,810	\$	0.0068
	Commodity - FTS - Market - ACA	02/01/97	58,387,504	\$	116,775	\$	0.0020
FTS-P	Reservation	02/01/97	49,489	\$	3,375,189	\$	5.6834
	Reservation Balancing Fee	02/01/97	49,489	\$	96,800	\$	0.1630
	Commodity	02/01/97	11,101,896	\$	137,964	\$	0.0124
	Commodity Balancing Fee	02/01/97	11,101,896	\$	4,441	\$	0.0004
FTS-44	Reservation	02/01/97	49,940	\$	1,668,874	\$	2.8417
	Reservation Balancing Fee	02/01/97	49,940	\$	95,727	\$	0.1630
	Commodity - GRI	02/01/97	48,940	\$	83,955	\$	0.1600
	Commodity	02/01/97	1,313,831	\$	6,015	\$	0.0061
	Commodity Balancing Fee	02/01/97	1,313,831	\$	528	\$	0.0004
	Commodity - ACA	02/01/97	1,313,831	\$	2,628	\$	0.0009

Volumes supplied over Panhandle Eastern Pipeline System
(Thirtieth Revised Sheet No. 5 effective November 1, 1995)
(Firm Revised Sheet No. 19 effective November 1, 1995)

EFT	Transmission - Market	11/01/96	8,941	\$	502,234	\$	502,234	\$ 4.6310
	Transmission - Field / Market	11/01/96	8,940	\$	997,798	\$	997,798	\$ 8.9006
	Commodity - City Gas	11/01/96	1,346,540	\$	49,149	\$	49,149	\$ 0.0365
	Commodity - City Gas	11/01/96	1,336,616	\$	86,204	\$	86,204	\$ 0.0561
	Reservation - Winter	11/01/96	8,987	\$	226,176	\$	226,176	\$ 5.0334
	Reservation - Summer	11/01/96	4,811	\$	203,340	\$	203,340	\$ 5.3150
	Commodity - Storage - Winter	11/01/96	831,582	\$	38,003	\$	38,003	\$ 0.0457
	Commodity - Storage - Summer	11/01/96	813,778	\$	30,598	\$	30,598	\$ 0.0276

Volumes supplied over Diverside Pipeline
(Twentieth Revised Sheet No. 7, issued Sept 1992, effective Oct 1992)
(Firm Revised Sheet No. 19 effective Nov 1995, effective Jan 1996)

FT	Reservation - RPCLP	10/01/93	46,332	\$	288,000	\$	288,000	\$ 0.5180
	Commodity Charge	10/01/93	6,600,662	\$	32,343	\$	32,343	\$ 0.0049
	Reservation-KANSOK	01/01/96	46,332	\$	2,532,174	\$	2,532,174	\$ 4.5544
	Commodity Charge	01/01/96	6,600,662	\$	374,250	\$	374,250	\$ 0.0567
	Reservation-Zone 1	01/01/96	157,066	\$	254,024	\$	254,024	\$ 1.8170
	Commodity Charge	01/01/96	8,490,332	\$	4,424,687	\$	4,424,687	\$ 7.6583
	Fuel	01/01/96	33,653	\$	27,063	\$	27,063	\$ 0.8041
	Reservation-Zone 2	01/01/96	46,332	\$	54,454	\$	54,454	\$ 1.6170
	Commodity Charge	01/01/96	6,600,662	\$	24,422	\$	24,422	\$ 0.0037
	Fuel	01/01/96	64,026	\$	103,531	\$	103,531	\$ 1.6170

Volumes supplied by Tri-Power Fuels
(Contract #GP30083 - see contract sheet file)
(Firm, Twentieth Revised Sheet No. 5 effective November 1, 1995)
(Firm, Firm Revised Sheet No. 19 effective November 1, 1995)

Field Zone Transportation	11/01/96	2,383,166	\$	657,648	\$	657,648	\$ 0.2261
	11/01/96	25,904	\$	62,715	\$	62,715	\$ 1.7300

Estimated Annual Transportation Costs

Estimated Annual Transportation Costs
Estimated Annual Sales Volumes
Calculated Transportation Rate

\$ 61,885,731	\$ 1,072,224	\$ 7,584,085	\$ 87,542,055
			\$ 68,481,118
			\$ 19,060,937

MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY

COMMODITY ESTIMATE

APPLICABLE TO: RS, SGS, LGS, UG, LV

April 1997

BENCHMARK GAS COST CALCULATION

	(B)	(C)	(D)	(E) = (B) x (C) x (D)	(F)	(G) = (E) x (F)
Supplier	Most Recent Index Price	Applicable Supplier Percentage	BGC Factor	Total Weighted Index Price	Estimated Purchase Volumes	Estimated BGC Costs
Williams Natural Gas Pipeline	\$ 1.7000	70%	1.04	\$ 1.2376		
Panhandle Eastern Pipeline	\$ 1.7100	30%	1.04	\$ 0.5335		
Estimated Benchmark Gas Costs				\$ 1.7711	3,081,780	\$ 5,458,140.56

TIGHT SANDS CALCULATION

	(B)	(C)	(D)	(E) = (B) x (C) x (D)	(F) = (B) x (C) x (D)	(G) = (E) + (F)
Supplier	Most Recent Index Price	Supplier Percentage	Estimated Purchase Volumes	Estimated Commodity Charge	Estimated Demand Charge	Total Estimated Tight Sands Costs
Amoco Commodity Charge	\$ 1.6920	90%	534,240	\$ 813,540.87		\$ 813,540.87
Amoco Demand Charge	\$ 1.6920	18%	534,240		\$ 162,708.13	\$ 162,708.13
Oxy Commodity Charge	\$ 1.6920	90%	1,125,000	\$ 1,713,150.00		\$ 1,713,150.00
Oxy Demand Charge	\$ 1.6920	18%	1,125,000		\$ 342,630.00	\$ 342,630.00
Estimated Tight Sands Costs						\$ 3,032,028.81
Estimated Benchmark Gas Costs						\$ 5,458,140.56
Estimated Tight Sands Costs						\$ 3,032,028.81
Estimated Commodity Costs						\$ 8,490,169.36
Estimated Sales Volumes						4,027,110
Estimated Commodity Costs						\$ 8,490,169.36

MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY

STORAGE GAS COMMODITY COST ESTIMATE

APPLICABLE TO: RS, SGS, LGS, UG, LV

April 1997

SGCC INJECTION CALCULATION

	(B)	(C)	(D) = (B) X (C)
Supplier	Current Month BGC	Estimated Storage Injections	Estimated Injection Storage Gas Commodity Cost
Williams Natural Gas Pipeline	\$ 1.7711	-422,940	\$ (749,069.03)
Panhandle Eastern Pipeline	\$ 1.7711	-121,920	\$ (215,932.51)
Estimated SGCC Injection Credit		-544,860	\$ (965,001.54)

SGCC WITHDRAWAL CALCULATION

	(E)	(F)	(G) = (E) X (F)
Supplier	Weighted Average Procurement Cost	Estimated Storage Withdrawals	Estimated Withdrawal Storage Gas Commodity Cost
Williams Natural Gas Pipeline	\$ -	0	\$ -
Panhandle Eastern Pipeline	\$ -	0	\$ -
Estimated SGCC Withdrawal Charge		0	\$ -
Estimated SGCC Injection Credit			\$ (965,001.54)
Estimated SGCC Withdrawal Charge			\$ -
Estimated Storage Gas Commodity Cost			\$ (965,001.54)
Estimated Sales Volumes			4,027,110
Calculated Storage Gas Commodity Rate			\$ (0.2396)

MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY

Prior Period Adjustments - Commodity

APPLICABLE TO: RS, SGS, LGS, UG, LV

Reason for Adjustment: Estimates to actuals correction for the filing dated February 5, 1997

	(E)	(F)	(I) = (E) less (F)
	<u>ACTUALS</u>	<u>ESTIMATE</u>	<u>VARIANCE</u>
Purchased Volumes (1)	7,143,340	6,711,320	432,020
Total Weighted Rate	\$ 2.9099	\$ 2.9099	\$ -
Benchmark Gas Costs	<u>\$ 20,786,405.07</u>	<u>\$ 19,529,270.07</u>	\$ 1,257,135.00

Estimated Sales Volumes for April 1997 4,027,110

Prior Period Adjustment - February 1997 \$ 0.3122

Comments:

(1) Purchased Volumes are those volumes calculated to be delivered to the city gate exclusive of any storage activity.

MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY

Prior Period Adjustments - Stored Gas Commodity Cost

APPLICABLE TO: RS, SGS, LGS, UG, LV

Reason for Adjustment: Estimates to actuals correction for the filing dated February 5, 1997

	(E)	(F)	(I) = (E) less (F)
	ACTUALS	ESTIMATE	VARIANCE
Storage Withdrawals - Williams Natural Gas	1,232,434	2,759,904	-1,527,470
Weighted Average Procurement Cost	\$ 2.2446	\$ 2.2447	\$ (0.0001)
Calculated Storage Gas Commodity Cost	<u>\$ 2,766,341.07</u>	<u>\$ 6,195,156.51</u>	<u>\$ (3,428,815.44)</u>
Storage Withdrawals - Panhandle Eastern Pipeline	193,182	198,716	-5,534
Weighted Average Procurement Cost	\$ 2.0119	\$ 2.0119	\$ -
Calculated Storage Gas Commodity Cost	<u>\$ 388,654.61</u>	<u>\$ 399,796.72</u>	<u>\$ (11,142.11)</u>
Total Calculated Storage Gas Commodity Cost			\$ (3,439,957.55)
Estimated Sales Volumes for April 1997			4,027,110
Prior Period Adjustment - February 1997			<u>\$ (0.8542)</u>

Comments:

MISSOURI GAS ENERGY,
A DIVISION OF SOUTHERN UNION COMPANY

EGCIM HISTORY

DATE	RESIDENTIAL GENERAL SERVICE /1	LARGE VOLUME /2
July 5, 1995	\$ 2.2948	\$ 2.2948
August 3, 1995	\$ 2.5177	\$ 2.6629
September 1, 1995	\$ 2.6891	\$ 2.8343
October 3, 1995	\$ 3.0468	\$ 3.1920
November 1, 1995	\$ 3.1149	\$ 3.2601
December 5, 1995	\$ 3.3290	\$ 3.4742
January 5, 1996	\$ 3.3722	\$ 3.5174
February 5, 1996	\$ 3.4436	\$ 3.5888
March 5, 1996	\$ 3.6648	\$ 3.8100
April 3, 1996	\$ 3.4349	\$ 3.5801
May 3, 1996	\$ 3.6605	\$ 3.8057
June 4, 1996	\$ 3.4345	\$ 3.4370
July 15, 1996	\$ 3.9770	\$ 3.9795
September 3, 1996	\$ 3.7313	\$ 3.7338
September 25, 1996	\$ 3.2065	\$ 3.2090
October 25, 1996	\$ 3.5970	\$ 3.5995
November 25, 1996	\$ 4.2090	\$ 4.2115
January 3, 1997	\$ 4.9172	\$ 4.9197
January 29, 1997	\$ 5.8127	\$ 5.8152
February 15, 1997	\$ 4.1704	\$ 4.1729
March 18, 1997	\$ 3.3690	\$ 3.3715
April 17, 1997	\$ 2.4142	\$ 2.4167

Footnotes:

- 1/ Residential Service, Small General Service,
Large General Service, Unmetered Gaslights
2/ Applies to Large Volume Sales Service Only

MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY

EGCIM DOLLAR IMPACT AND PERCENTAGE CHANGE
ON MISSOURI CUSTOMERS

BASED ON ESTIMATED SALES
12 MONTHS ENDED 6/96

April 1997

	(B)	(D)	(F)	(F) - (F) less (D)	(I)	(J) = (H) / (D)
<u>Customer Class</u>	<u>Estimated Sales</u> <u>12 months ended</u> <u>June 1996</u>	<u>Estimated revenues</u> <u>based on current</u> <u>EGCIM rates.</u>	<u>Estimated revenues</u> <u>based on proposed</u> <u>EGCIM rates.</u>	<u>Estimated Annual</u> <u>Increase</u> <u>(Decrease)</u>	<u>Net Change</u> <u>per Mcf</u>	<u>Percentage</u> <u>Change in</u> <u>Revenue</u>
Residential/General Service	68,948,198	\$ 232,279,741.06	\$ 166,449,911.21	\$ (65,829,829.85)	\$ (0.9548)	-28.34%
Large Volume	534,918	\$ 1,803,478.04	\$ 1,292,736.33	\$ (510,739.71)	\$ (0.9548)	-28.32%
ESTIMATED REVENUE IMPACT	69,481,116	\$ 234,083,217.10	\$ 167,742,647.54	\$ (66,340,569.56)	\$ (0.9548)	-28.34%

MGE Computation of Transition Cost Factor
Summary of All Known Transition Cost Filings as of 03/31/97

	(B) = (C) + (D)	(C)	(D) = (F) + (J)	(F)	(G)	(H) = (F) + (G)	(J)	(K)	(L) = (J) + (K)
Pipeline / Docket #	Adjusted Amount Total to be Billed	T & E Adjustment	Adjusted Amount Total to be Billed	TC Factor 1 Costs	TC Factor 1 Carrying Charges	Total TC Factor 1 Costs To Be Recovered	TC Factor 2 Costs	TC Factor 2 Carrying Charges	Total TC Factor 2 Costs To Be Recovered
PEPL RP93-148	\$ 3,424.77	\$ -	\$ 3,424.77	\$ 3,424.77	\$ (1,142.91)	\$ 2,281.86	\$ -	\$ -	\$ -
PEPL RP93-172	\$ 80,699.27	\$ -	\$ 80,699.27	\$ 80,699.27	\$ 7,398.35	\$ 88,095.62	\$ -	\$ -	\$ -
Total PEPL	\$ 84,124.04	\$ -	\$ 84,124.04	\$ 84,124.04	\$ 6,263.44	\$ 90,377.48	\$ -	\$ -	\$ -
WNG RP94-298	\$ 2,508,511.79	\$ -	\$ 2,508,511.79	\$ 1,408,626.12	\$ 4,106.51	\$ 1,412,732.63	\$ 1,097,885.67	\$ 11,109.85	\$ 1,108,995.52
WNG RP95-3	\$ 3,777,923.45	\$ -	\$ 3,777,923.45	\$ -	\$ -	\$ -	\$ 3,777,923.45	\$ 34,741.70	\$ 3,812,665.15
WNG RP95-190	\$ 172,210.65	\$ -	\$ 172,210.65	\$ 172,210.65	\$ 3,227.40	\$ 175,438.05	\$ -	\$ -	\$ -
Total WNG	\$ 6,458,645.88	\$ -	\$ 6,458,645.88	\$ 1,680,836.77	\$ 7,333.91	\$ 1,688,170.68	\$ 4,875,809.12	\$ 45,851.65	\$ 4,921,660.67
Total	\$ 6,540,769.93	\$ -	\$ 6,540,769.93	\$ 1,664,960.81	\$ 13,687.35	\$ 1,678,648.16	\$ 4,875,809.12	\$ 45,851.65	\$ 4,921,660.67
Projected Recovery Volumes (04/97 to 03/98)				66,759,119	66,759,119	66,759,119	96,172,021	96,172,021	96,172,021
Recovery Rate per Mcf				\$0.0249	\$0.0002	\$0.0251	\$0.0507	\$0.0005	\$0.0512
Rates Applicable to Sales (docket 2) rates are \$0.0763									
Rates Applicable to Transportation (docket 2) rates are \$0.0512									