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September 3, 2003

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

FILED³

SEP 03 2003

**RE: Case No. GT-2004-0049
Tariff No. JG-2004-0009**

Missouri Public
Service Commission

Dear Mr. Roberts:

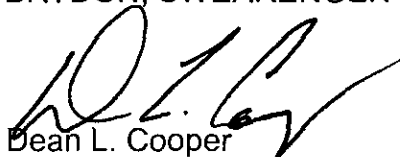
Enclosed please find an original and eight copies of Missouri Gas Energy's Proposed Procedural Schedule in the above-referenced matters. Please file stamp the enclosed extra receipt copy and return it to me for my records.

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/llv

Enclosure

cc: Thomas R. Schwarz, Jr.
Douglas Micheel
Stuart W. Conrad
Michael A. Rump

FILED³

SEP 03 2003

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the matter of Missouri Gas Energy's)	
Request for Approval of Tariff Sheets)	
Concerning Daily Balancing of Natural)	Case No. GT-2004-0049
Gas for Large Volume Customers.)	Tariff No. JG-2004-0009

MISSOURI GAS ENERGY'S PROPOSED PROCEDURAL SCHEDULE

Comes now Missouri Gas Energy ("MGE"), a division of Southern Union Company, by and through counsel, and pursuant to the Commission's order dated August 21, 2003, respectfully states the following:

1. MGE proposes the following procedural schedule as a means of obtaining Commission resolution of this matter by November 1, 2003 (the anticipated effective date of Southern Star Central tariff sheets at the FERC upon which this MGE filing is largely predicated):

-MGE direct testimony	--9/11/03
-Rebuttal testimony (all other parties)	--10/2/03
-MGE surrebuttal and all others cross-surrebuttal testimony	--10/9/03
-Hearing (with argument instead of briefs)	--10/15/03

The above schedule is designed to enable the Commission to issue an order in this matter to become effective November 1, 2003. Based on a voice mail received by counsel for MGE from counsel for Kansas City Power & Light Company ("KCPL") on September 2, 2003, MGE believes has no objection to the above proposal. MGE has contacted counsel for the Midwest Gas Users' Association and the Office of the Public Counsel regarding the above proposal, but as of the time of filing had not received a response. MGE's

communications with the Commission Staff in regard to a proposed procedural schedule are generally described in paragraph 3, below.

2. MGE believes it is both reasonable and necessary for the Commission to act on this matter to be effective November 1. The extension of the pre-determined allocation agreement (which had previously been scheduled to terminate on 7/1/03) MGE negotiated with Southern Star Central expires on November 1, 2003. In addition, there appears to be some significant likelihood that the Southern Star tariff filing to move to a system of daily allocation and balancing, currently pending at the FERC as RP03-356, will become effective on November 1, 2003. Both of these eventualities will cause problems for MGE, MGE's system sales customers and MGE's LV Transportation customers because MGE's current tariff does not make adequate provision for balancing under these circumstances.

In particular:

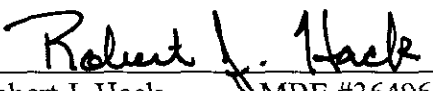
- The expiration of the pre-determined allocation/burner-tip balancing agreement will serve to shift administrative responsibility regarding imbalances (e.g., the difference between usage and deliveries to MGE's distribution system) of LV Transportation customers from the pipeline to the LDC. MGE's current tariff makes no provision for "cash-out" of such imbalances and therefore, absent such "cash-out" provisions, it will be possible for subsidies to flow between system sales customers and LV Transportation customers when such imbalances occur following expiration of the pre-determined allocation/burner-tip balancing agreement. Because no such "cash-out" provisions exist in MGE's current tariff, MGE may well have no choice but to take more drastic action--such as cutting deliveries of LV Transportation customers where such deliveries are exceeding usage or perhaps even interrupting service in case an LV Transportation customer's usage exceeds deliveries (both of which are permitted under MGE's current tariff)--than is contemplated under the daily balancing tariff presently before the MoPSC.
- The effectiveness of Southern Star Central's daily allocation tariff at the FERC will bring tighter tolerance ranges to storage operation by LDCs due to the shift from administering such items as maximum withdrawal quantities and maximum injection quantities from a monthly to a daily basis. Aside from somewhat limited circumstances, MGE's current tariff does not provide significant incentives for LV

Transportation customers to keep their gas usage and deliveries in relatively close balance. Because, as explained above, responsibility for administering such imbalances for MGE's LV Transportation customers will become MGE's responsibility effective 11/1/03, the likelihood of incurring penalties due to imbalances by MGE's LV Transportation customers will increase significantly. MGE's current tariff permits the assignment of such penalties to the responsible customer and, in the event such penalties do come to pass, MGE will have no choice but to do so. MGE's daily balancing tariff presently before the MoPSC puts reasonable incentives in place for LV Transportation customers to keep their gas usage and deliveries in relatively close balance. That tariff also provides a pooling alternative to enable customers even more flexibility.

3. In the event the Commission determines it is unable to move forward with the procedural schedule proposed by MGE in paragraph 1, above, MGE hereby advises the Commission that the procedural schedule it understands the Commission Staff will propose (calling for a hearing on November 13-14, 2003) is the next best alternative.

Wherefore, MGE respectfully requests that the Commission adopt the procedural schedule set forth in paragraph 1 of this pleading.

Respectfully Submitted,


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ATTORNEY FOR MISSOURI
GAS ENERGY

Certificate of Service

I hereby certify that a copy of the foregoing document was mailed or hand delivered this 3d day of September, 2003, to:

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