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January 17, 2001

Mr. Dale Hardy Roberts **Public Service Commission** P. O. Box 360 Jefferson City, MO 65102

Missouri Gas Energy - Case No. GR-2001-382 RE:

Dear Mr. Roberts:

DAVID V.G. BRYDON

GARY W. DUFFY

PAUL A. BOUDREAU

SONDRA B. MORGAN

CHARLES E. SMARR

JAMES C. SWEARENGEN

WILLIAM R. ENGLAND, III

JOHNNY K, RICHARDSON

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of Missouri Gas Energy's Pleading. Please stamp the enclosed extra copy "filed" and return same to me.

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:

Wean Cooper by Rg

DLC/rhg **Enclosures**

cc:

Office of the Public Counsel

Mr. Thomas R. Schwarz, Jr.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of Missouri Gas Energy's Purchased Gas Cost Adjustment tariff Revisions to be reviewed in its 2000-2001 Actual Cost Adjustment.

CE COMMISSION
ISSOURI

Service Commission

Case No. GR-2001-382

MISSOURI GAS ENERGY'S PLEADING

Comes now Missouri Gas Energy ("MGE" or "Company"), a division of Southern Union Company, and advises the Commission of the letter attached hereto.

Respectfully submitted,

Robert J. Hack

3420 Broadway 5 Kansas City, Missouri 641)

(816) 360-5755

FAX: (816) 360-5536

e-mail: Rob.Hack@southernunionco.com

ATTORNEY FOR MISSOURI GAS ENERGY

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was either mailed or hand delivered this 17th day of January, 2001, to:

Douglas E. Micheel Senior Public Counsel P.O. Box 7800 Jefferson City, MO 65102

Thomas R. Schwarz, Jr. General Counsel's Office P.O. Box 360 Jefferson City, MO 65102

- William



STEVEN W. CATTRON
PRESIDENT & CHIEF OPERATING OFFICER

January 17, 2001

The Honorable Sheila Lumpe, Chair Missouri Public Service Commission P.O. Box 360 Jefferson City, Missouri 65102

Dear Chair Lumpe:

Much attention has been given to our latest PGA filing, as demonstrated by the Commission's agenda discussion on Tuesday regarding possible scheduling matters pertaining to the filing. Calls for public discussion are certainly understandable, and MGE, as I believe we have demonstrated in the past, is willing to communicate in an open format. Should public information sessions be held on natural gas pricing, MGE will be a willing and active participant.

Any such sessions, however, should not serve to delay the PGA process. Delays in implementing the proposed PGA adjustment will simply increase our under-collected balance, serving to further increase associated interest expense and heighten financial concerns of lenders and suppliers. Local distribution companies across the country, like MGE, have found it necessary to increase rates throughout this winter to ensure the continued financial ability to procure natural gas for delivery to customers.

MGE remains committed to working through this difficult issue. MGE has been exceedingly flexible throughout the winter with customers, encouraging them to call the company to work out pay arrangements. MGE has also made the ABC level pay plan liberally available to customers by not requiring their accounts to be current as a condition of ABC plan subscription. In December, the company also actively requested that customers without heat call the company to have service restored. For many families, this was done for less than the minimum payment required under the Cold Weather Rule.

Once again, please be assured we support, and will actively participate in, public information sessions, provided our financial ability to procure natural gas for our customers is not impaired due to delays in the PGA process.

Sincerely, Switten