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February 13, 2001

Mr. Dale Hardy Roberts
Executive Secretary
Missouri Public Service Commission
Governor State Office Building
Jefferson City, Missouri

FILED²
FEB 13 2001
Missouri Public
Service Commission

**RE: Case No. GR-2001-382, Missouri Gas Energy
Motion for Waiver**

Dear Mr. Roberts:

Enclosed for filing are an original and eight copies of "Missouri Gas Energy's Motion for Waiver to Make a Second Unscheduled Winter Purchased Gas Adjustment Filing." This motion is being filed concurrently with the submission, under separate cover, of a proposed rate schedule:

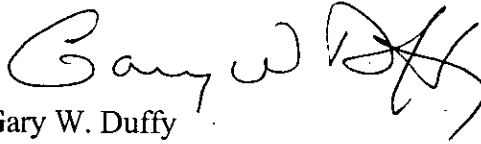
P.S.C. MO. No. 1, Third Revised Sheet No. 24.32, canceling Second Revised Sheet No. 24.32

This Motion for Waiver seeks the Commission's permission to make an unscheduled PGA filing in order to reflect a reduction in natural gas prices. As explained in the tariff sheet filing, the proposed change in the PGA Rate reflects a decrease of \$0.18824 per Ccf, which has the net effect of decreasing PGA revenues in MGE's service area by approximately \$126,142,128 annually. This represents an overall 19.18% decrease in PGA revenues.

Thank you for quickly bringing this matter to the attention of the Commission and the appropriate Commission personnel.

If you have any questions about this, please let me know.

Sincerely yours,


Gary W. Duffy

cc w/encl:

Office of the Public Counsel
Office of the General Counsel
Mike Langston
Jay Cummings
Rob Hack
Mike Noack
Jeff Keevil
James Deutsch/Henry Herschel

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
FEB 13 2001
Missouri Public
Service Commission

In the matter of Missouri Gas Energy's)
Purchased gas adjustment to be reviewed)
In its 2000-2001 Actual Cost Adjustment.)

Case No. GR-2001-382

**MISSOURI GAS ENERGY'S MOTION FOR WAIVER TO MAKE A SECOND
UNSCHEDULED WINTER PURCHASED GAS ADJUSTMENT FILING**

Comes now Missouri Gas Energy ("MGE" or "Company"), a division of Southern Union Company, by and through counsel, and for its motion respectfully states the following:

1. Pursuant to the Stipulation and Agreement ("S&A") approved by the Commission in Case No. GO-97-409 on August 6, 1997, Sheet No. 15 (now Sheet No. 24.10) of the Company's tariff provides that the Company may only make two scheduled Purchased Gas Adjustment ("PGA") filings each year, one in the spring and one in the fall. In addition, Sheet No. 16 (now Sheet No. 24.11) of MGE's tariff permits the Company to make one unscheduled PGA filing during the winter period if certain conditions are met. The S&A approved by the Commission in Case No. GO-97-409 also provided that nothing in the S&A was intended to affect MGE's right to seek a variance or waiver from the Company's PGA tariff provisions. See Section IV.A. of the S&A attached to the Order Approving Stipulation and Agreement in Case No. GO-97-409.

2. The purpose of this motion is to request that the Commission grant such a waiver, pursuant to its general authority under section 393.140(11) RSMo (1994), so as to permit MGE to make the second unscheduled winter PGA filing that has been filed contemporaneously herewith by the Company on this date.

3. As the Commission is aware, natural gas prices have been extremely volatile this winter. In January 2001, natural gas prices, based on the first of the month index, approached \$10.00 per MMBtu, an all-time high. In February 2001, the first-of-the-month index was approximately \$6.30 per MMBtu.

4. This considerable variability in natural gas prices is due to a number of factors. Whatever the cause, MGE proposes to reflect in its PGA the general reduction in market prices to the benefit of customers. MGE therefore believes it is both necessary and appropriate to make and implement the second unscheduled winter PGA filing submitted on this date. Implementation of the filing will help bring the benefit of lower market prices for natural gas to MGE's customers. Accordingly, MGE requests that the Commission grant this motion for waiver to make a second unscheduled winter PGA filing for good cause shown and permit the associated tariff sheet to become effective in compliance with the filing procedures set forth in MGE's PGA tariff.

Wherefore, MGE respectfully requests that the Commission issue its order granting this motion for waiver to make a second unscheduled winter Purchased gas Adjustment filing and permit the PGA tariff sheet filed on this date to become effective on its proposed effective date.

Respectfully Submitted,

Robert J. Hack by GWD

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ATTORNEYS FOR MISSOURI
GAS ENERGY

Certificate of Service

I hereby certify that a copy of the foregoing document was either mailed or hand delivered this 13th day of February, 2001, to:

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