



**MISSOURI GAS ENERGY**

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**ROBERT J. HACK**

Vice President, Pricing & Regulatory Affairs

April 3, 2001

**FILED**

APR 4 2001

Missouri Public  
Service Commission

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
200 Madison Street, Suite 100  
P.O. Box 360  
Jefferson City, Missouri 65102-0360

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

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter, please find an original and eight (8) conformed copies of **Missouri Gas Energy's Motion for Waiver Related to Its Summer Purchased Gas Adjustment Filing**.

A copy of this filing has been mailed or hand-delivered this date to counsel of record.

Thank you for bringing this matter to the attention of the Commission. Please call me if you have any questions regarding this matter.

Sincerely,

C: F. Jay Cummings  
James B. Deutsh  
Henry Herschel  
Douglas E. Micheel  
Thomas R. Schwarz, Jr.  
Gary W. Duffy  
Jeffrey A. Keevil

Enclosures

FILED

APR 4 2001

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

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 RELATED TO ITS  
SUMMER 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 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. An Unscheduled Winter PGA Filing Adjustment Factor ("UFA") of up to \$0.05 per Ccf is permitted to refund to, or recover from, customers any DCCB-related (deferred carrying cost balance) over- or under-recovery of gas costs that have been deferred since the Winter PGA filing. 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 (2000), so as to permit MGE to include a UFA of \$0.05 per Ccf in the summer PGA filing that has been filed contemporaneously herewith by the Company on this date.

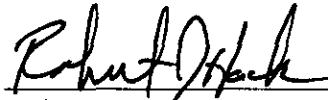
3. As the Commission is aware, natural gas prices have been extremely volatile this winter. In January 2001, natural gas prices, based on the first of the month index, approached \$10.00 per MMBtu, an all-time high. As a result of this volatility, MGE currently projects that it will be under-recovered with respect to gas costs by the end of the current ACA (Actual Cost Adjustment) period.

4. Such under-recoveries would need to be recovered through an ACA adjustment increasing the overall PGA rate beginning in the Fall of 2001. It is therefore beneficial to take reasonable steps to moderate such under-recoveries and any associated carrying costs. MGE therefore believes it is both necessary and appropriate to make and implement the UFA of \$0.05 per Ccf included in the summer PGA filing submitted by MGE on this date. Implementation of the filing will help bring the benefit of lower market prices for natural gas to MGE's customers as well as reduce the DCCB-related under-recovery. Accordingly, MGE requests that the Commission grant this motion for waiver to include a UFA of \$0.05 in its summer 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 and permit the PGA tariff sheet filed on this date to

become effective on its propose effective date.

Respectfully Submitted,



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ATTORNEYS FOR MISSOURI  
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**Certificate of Service**

I hereby certify that a copy of the foregoing document was mailed or hand delivered this 3<sup>rd</sup> day of April, 2001, to:

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