

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Missouri Gas Energy's	)	
Purchased Gas Adjustment Factors to be	)	Case No. GR-2003-0330
Audited in Its 2002-2003 Actual Cost	)	
Adjustment.	)	

**MOTION FOR RECONSIDERATION**

Comes now Missouri Gas Energy (MGE), a division of Southern Union Company, and for its Motion for Reconsideration respectfully states as follows:

1. This motion seeks reconsideration of a portion of the ORDER DIRECTING FILING issued in this case and made effective on January 18, 2005. MGE does not seek reconsideration of the ORDERED 1 portion that requires MGE to file its written response to Staff's recommendation by February 27, 2005.
2. The portion for which reconsideration is sought is ORDERED 2 which, as it stands now, requires MGE to "submit information to address Staff's comments and concerns as listed in the Reliability Analysis and Purchasing Practices-General section of [Staff's] Memorandum not later than March 23, 2005."
3. The relief MGE seeks by this Motion for Reconsideration is the issuance of an amended Order (or other similar result) that requires MGE to file its written response to *all aspects* of Staff's Memorandum and Recommendation by February 27, 2005. There are several reasons why it is appropriate to treat the Staff's Memorandum and Recommendation as a whole and not separate out a portion of it for response at a different time as the January 18 Order does.

4. One reason is that the Order Directing Filing of January 18, 2005, effectively treats one portion of Staff's "Memorandum and Recommendation" as a motion or "pleading" to which MGE would have been obligated to file a response within ten days according to the Commission's procedural rules. 4 CSR 240-2.080(15). MGE's experience over the past ten years with the filing of Staff recommendations in Actual Cost Adjustment cases, of which this is one, is that the Commission routinely issues an order setting the date on which MGE is required to file a formal response to all aspects of the Staff's recommendation. In such a document, and generally for the first time, issues are identified and MGE indicates whether it concurs with the recommendation or not. In other words, due to past practice, MGE was expecting the Commission to issue an order setting a date for its formal response in an approximate thirty day time frame, as it did in ORDERED 1, but not to single out one aspect of the Memorandum and Recommendation and treat it as something to which MGE was essentially required to respond within ten days. As further explanation for this suggested course, MGE points to the fact that the Staff's document is entitled "Staff Recommendation" and not a "Motion."

5. Another reason for the Commission to grant MGE's request for reconsideration is that it would not make sense, in this circumstance, for MGE to file a *separate* response to *one* aspect of the Staff's recommendation on March 23, 2005, and to the *remainder* on or before February 27, 2005. This is because the subject matter of "Staff's comments and concerns as listed in the Reliability Analysis and Purchasing Practices-General section of its Memorandum" apparently is inextricably tied to and serves as the philosophical basis for its recommended disallowance of alleged "excess

capacity” which translates in Staff’s recommendation to an amount exceeding \$2,000,000 for this particular ACA period. A cursory reading of the Staff’s Memorandum leads to the conclusion that the “concerns” of Staff expressed in the “Reliability Analysis and Purchasing Practices – General” section are dealing with the calculation of peak day requirements. The substantial disallowance in the Recommendation is based on the unfounded and unproven allegation that MGE has allegedly too much capacity under contract for meeting the needs of its customers on a peak day. MGE intends to respond in the filing due February 27, 2005, to this and other allegations in Staff’s Recommendation. Therefore, the Commission will see MGE’s complete response on or before February 27, 2005, which means there is no valid reason to *separately* respond to an interrelated portion almost a month later on March 23, 2005.

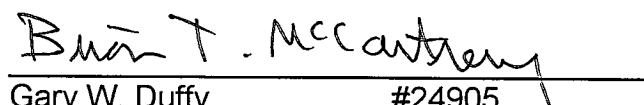
6. Because the Staff’s approach to calculating peak day requirements is apparently the philosophical basis for its recommended disallowance, it should not come as a surprise if MGE disputes Staff’s method and this case proceeds to hearing. Indeed, MGE and Staff, as disclosed in the pleading filed by Staff in Case No. GR-2002-348 on the same day the Order Directing Filing was issued in this case, are having discussions regarding the possibility and feasibility of consolidating this case and GR-2002-348 as far as peak day capacity issues are concerned. The request has been made by Staff to allow for the filing of a procedural schedule in GR-2002-348 within ten days after MGE files a response to the Staff Recommendation in *this* case; a request to which MGE assents. MGE and the Staff should be given the opportunity to discuss this matter further.

WHEREFORE, for the foregoing reasons, MGE moves for reconsideration of the Order Directing Filing and requests that ORDERED section 2 be removed and that MGE be permitted to respond to the entire Staff memorandum on or before February 27, 2005.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

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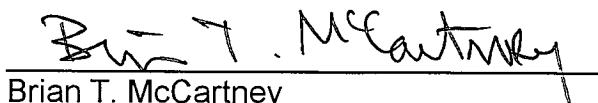
#### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 24<sup>th</sup> day of January, 2005, served the foregoing either by electronic means, or by U.S. Mail, postage prepaid addressed to all parties by their attorneys of record as provided by Secretary of Commission as shown.

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