

MEMORANDUM

FILED²

JAN 28 2000

Missouri Public
Service Commission

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2000-425, File No. 200000633, Missouri Gas Energy

FROM: *HEW* *MMR*
Henry E. Warren, Gas Department - Tariffs/Rate Design

Wes Henderson 1-27-00
Utility Operations Division/Date

Thomas R. Schwann Jr. 1/27/00
General Counsel's Office/Date

SUBJECT: Staff Recommendation on Missouri Gas Energy's Unscheduled Winter
Season PGA Filing Effective February 1, 2000.

DATE: January 21, 2000

On January 14, 2000 Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri filed a tariff sheet proposed to become effective February 1, 2000. The tariff sheet was filed to reflect unscheduled changes in MGE's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of gas for the remaining winter season. The winter season includes the months of November through March. Additionally, this tariff filing reflects changes in the Refund factors.

The net effect of these changes will decrease the firm PGA factor for the remainder of the 1999-2000 winter season to \$0.34911 per Ccf from a scheduled winter season firm PGA factor of \$0.41724 per Ccf. This represents an approximate 16% decrease in the cost of gas to consumers.

Case No. GR-2000-425, under which this PGA change was filed, was established to track MGE's 1999-2000 Actual Cost Adjustment (ACA) activity. A final Commission decision in MGE's ACA Case Nos. GR-98-167 and GR-99-304 for 1997-1998 and 1998-1999 ACA periods respectively are still pending. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-98-167, GR-99-304, and GR-2000-425.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed this filing and has determined it was calculated in conformance with MGE's Commission approved PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by MGE's Commission approved PGA Clause allowing for ten (10) business days notice for PGA change filings.

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Therefore, Staff recommends that the following tariff sheet be approved, interim subject to refund:

P.S.C. MO. No.1

Thirteenth Revised SHEET No. 24.7 Canceling Twelfth Revised SHEET No. 24.7

Copies: Director - Utility Operations Division
Director - Advisory and Public Affairs Division
Director - Utility Services Division
General Counsel
Manager - Financial Analysis Department
Manager - Procurement Analysis Department
Manager - Gas Department
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