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Missouri Public Service Commission

MO PSC

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October 27, 2000

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OCT 30 2000

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GR-2000-425

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Thomas R. Schwarz, Jr.

Thomas R. Schwarz, Jr.
Deputy General Counsel
(573) 751-5239
(573) 751-9285 (Fax)

TRS:sw
Enclosure
cc: Counsel of Record

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BEFORE THE PUBLIC SERVICE COMMISSION

MO PSC

OF THE STATE OF MISSOURI RECORDS DEPT.

In the Matter of Missouri Gas Energy's)
Purchased Gas Adjustment factors to be)
reviewed in its 1999-2000 Actual Cost)
Adjustment.)

Case No. GR-2000-425

FILED

OCT 30 2000

STAFF RECOMMENDATION

Missouri Public
Service Commission

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and respectfully states as follows:

1. On October 17, 2000, Missouri Gas Energy, a division of Southern Union Company ("MGE"), filed a tariff sheet proposed to become effective on November 1, 2000. On October 27, 2000 MGE filed a substitute tariff sheet. The tariff sheet was filed to reflect a change in MGE's Purchased Gas Adjustment ("PGA") factors, and to reflect changes in the Actual Cost Adjustment ("ACA"), Refund and Transition Cost factors.

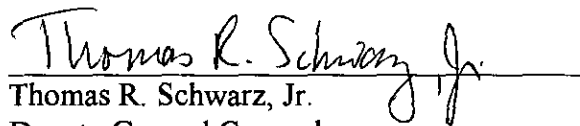
2. The Staff has reviewed the tariff sheet, and determined that it was calculated in conformance with MGE's PGA Clause. The Staff's memorandum is attached hereto as Attachment A. Staff also is of the opinion that the rates should remain interim, subject to refund, pending final Commission decisions in Case Nos. GR-98-450, GR-98-167, GR-99-304, and this

case. The Staff is of the opinion that good cause has been shown pursuant to §393.140(11), RSMo, to approve this tariff sheet on less than thirty days notice.

WHEREFORE, Staff recommends that the Commission approve the referenced tariff sheet.

Respectfully submitted,

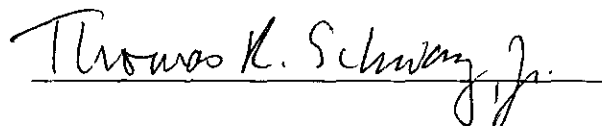
DANA K. JOYCE
General Counsel


Thomas R. Schwarz, Jr.
Deputy General Counsel
Missouri Bar No. 29645

Attorney for the Staff of the
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 27th day of October, 2000.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2000-425, File No. 200100451, Missouri Gas Energy

FROM: Daniel I. Beck, Gas Department - Tariffs/Rate Design

DB
Wes Anderson 10-27-00 *Thomas R. Schwanz Jr. 10/27/00*
Utility Operations Division/Date General Counsel's Office/Date

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

DATE: October 27, 2000

On October 17, 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 November 1, 2000. On October 27, 2000, MGE filed a substitute tariff sheet. The tariff sheet was filed to reflect scheduled changes in MGE's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of gas for the upcoming winter season. Additionally, this tariff filing reflects changes in the Actual Cost Adjustment (ACA), Refund, and Transition Cost (TC) factors.

The net effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$0.68056 per Ccf from the current firm PGA factor of \$0.53599 per Ccf.

Case No. GR-2000-425, under which this PGA change was filed, was established to address MGE's PGA factors in its 1999-2000 ACA filings. Case No. GR-99-304 was established to address MGE's PGA factors to be reviewed in its 1998-99 filings. Case No. GR-98-167 was established to address MGE's PGA factors to be reviewed in its 1997-98 filings. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-96-450, GR-98-167, GR-99-304, and GR-2000-425.

Because of the short time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendation regarding information included in this ACA filing to the Commission on or before December 1, 2001.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed the filing of October 17, 2000 as substituted On October 27, 2000 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. Therefore, Staff recommends that the following tariff sheet filed on October 17, 2000 as substituted On October 27, 2000, be approved, interim subject to refund:

Attachment A

MO PSC Case No. GR-2000-425
OFFICIAL CASE FILE MEMORANDUM
PAGE 2 OF 2

P.S.C. MO. No.1

First Revised SHEET No. 24.32 Canceling Original SHEET No. 24.32

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
- Peter H. Kelley - President & C.O.O. (Southern Union Company)
- Steven W. Cattron - President & Chief Operating Officer (MGE)
- Robert J. Hack - Vice President of Pricing & Regulatory Affairs (MGE)
- Dennis Morgan - Attorney (Southern Union Company)
- Gary W. Duffy - Attorney with Brydon, Swearingen & England P.C.
- Chris Kaitson - General Counsel (Kansas Pipeline Company)
- Jeffrey A. Keevil - Attorney with Stewart & Keevil, L.L.C.
(Kansas Pipeline Company)
- Lou Marinos - President (Kansas Pipeline Company)
- Office of the Public Counsel

**Service List for
Case No. GR-2000-425
October 27, 2000`**

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