



MISSOURI GAS ENERGY

3420 Broadway • Kansas City, MO • 64111-2404 • (816) 360-5755

ROBERT J. HACK

Vice President, Pricing & Regulatory Affairs

July 13, 2000

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

FILED²
JUL 14 2000
Missouri Public
Service Commission

RE: Case No. GR-2000-425, Missouri Gas Energy

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case, please find an original and eight (8) conformed copies of **Missouri Gas Energy's Motion for Waiver to Make an Unscheduled 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
Service List

Enclosures

200100042

FILED²

JUL 14 2000

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

**MISSOURI GAS ENERGY'S MOTION FOR WAIVER TO MAKE AN UNSCHEDULED
SUMMER PURCHASED GAS ADJUSTMENT FILING**

COMES NOW Missouri Gas Energy ("MGE" or "Company"), a division of Southern Union Company, and for its motion respectfully states as follows:

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 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 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 unscheduled 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 risen considerably this spring and summer. Natural gas prices are presently above \$4.00 per MMBtu, an all-time high for this time of the year. For the ACA period which ended June 30, 2000, MGE estimates that it

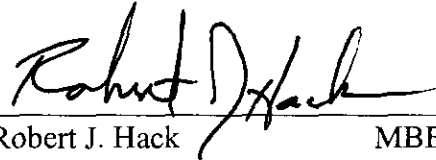
is in an under-recovered position of approximately \$12 million. If current natural gas prices do not fall and if MGE's current PGA rate is not changed to reflect such current prices, MGE projects that for the ACA period which began July 1, 2000, it will be in an under-recovered position of approximately \$10 million even before the beginning of the upcoming winter heating season.

5. These considerable increases in natural gas prices are due to a number of factors, including reduced natural gas storage levels nationally, perceived natural gas supply shortages nationally, increased demand for natural gas by newly placed gas-fired electric generation equipment and sharp increases in crude oil and gasoline prices. Whatever the cause, MGE will continue to explore methods to mitigate customer impacts in addition to those proposed in the Amended Stipulation and Agreement submitted by MGE, the Commission's staff and the Office of the Public Counsel, and presently pending before the Commission in Case No. GO-2000-705.

6. In the meantime, however, MGE believes it is both necessary and appropriate to make and implement the unscheduled summer PGA filing submitted on this date. Implementation of the filing will help mitigate the current under-recovery of gas costs and lessen the magnitude of any increase that may be required in the Company's scheduled winter PGA filing. It will also serve to send an appropriate price signal to MGE's customers and make them more aware of possible increases in the cost of gas service this coming winter. Accordingly, MGE requests that the Commission grant this motion for waiver to make an unscheduled summer PGA filing for good cause shown and permit the associated tariff sheet to become effective within ten business days 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 an unscheduled summer 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 MBE #36496

3420 Broadway

Kansas City, Missouri 64111-2404

816/360-5755

FAX: 816/360-5536

e-mail: rob.hack@southernunionco.com

ATTORNEY FOR MISSOURI GAS
ENERGY

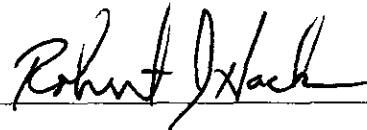
CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served via U.S. Postal Service, postage pre-paid, this 13th day of July, 2000, upon:

The Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

General Counsel's Office
P.O. Box 360
Jefferson City, MO 65102

Jeffrey A. Keevil
Stewart & Keevil
1001 E. Cherry Street, Ste. 302
Columbia, MO 65201





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Vice President, Pricing & Regulatory Affairs

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Missouri Public
Service Commission

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

RE: Case No. GR-2000-425, Missouri Gas Energy

Dear Mr. Roberts:

Enclosed for filing are an original and three copies of P.S.C. MO. No. 1, Fifteenth Revised Sheet No. 24.7, canceling Fourteenth Revised Sheet No. 24.7. This tariff sheet bears an issue date of July 14, 2000, and a proposed effective date of August 1, 2000. Concurrently herewith, MGE has filed a motion for waiver to make an unscheduled summer Purchased Gas Adjustment filing.

By this filing, MGE proposes to make an unscheduled summer adjustment to the Purchased Gas Adjustment (PGA) Rate, this is an emergency unscheduled summer season filing as contemplated by the Commission's press release dated July 3, 2000. MGE is proposing to adjust the Current Cost of Gas Factor (C.C.G.), a component of the PGA Rate.

The new PGA rate proposed in this filing is \$0.53599 per Ccf; the PGA Rate currently in effect is \$0.39038. The proposed change in the PGA Rate reflects an increase of \$0.14561 per Ccf. The proposed adjustment has the net effect of increasing revenues in MGE's service area by approximately \$97,340,461 annually. This represents an overall 37.30% increase in annual revenues.

Workpapers supporting the calculations performed in developing the proposed changes have been provided this date under separate cover letter to the Commission's Staff and The Office of the Public Counsel.

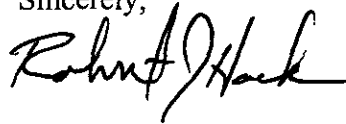
Please forward copies of any Commission order or notice associated with this filing to:

200100042

Robert J. Hack
Vice President, Pricing & Regulatory Affairs
Missouri Gas Energy
3420 Broadway
Kansas City, MO 64111
(816) 360-5755
(816) 360-5536 (fax)
e-mail: rob.hack@southernunionco.com

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

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Hack", written in a cursive style.

CC: The Office of Public Counsel
Mike Langston
Jay Cummings
Gary W. Duffy
Ken Hubbard
Jeff Keevil

Missouri Gas Energy,
a Division of Southern Union Company
Name of Issuing Corporation

For: All Missouri Service Areas
Community, Town or City

PURCHASED GAS COST ADJUSTMENT
PGA

XI ADJUSTMENT STATEMENT

Any increase or decrease in the PGA/EGCIM rate shall be applied to customers' bills for service rendered on and after the effective date of the change. Bills computed which contain multiple PGA/EGCIM rate changes during a customer's billing cycle shall be prorated between the old and new rates in proportion to the number of days in the customer's billing cycle that such rates were in effect. Rates are shown in hundred cubic feet (Ccf).

<u>Customer Class</u>	<u>C.C.G.</u>	<u>A.C.A</u>	<u>Refund</u>	<u>T.O.P.</u>	<u>T.C.</u>	<u>P.G.A. Rate</u>
Residential	\$0.56131	(\$0.01090)	(\$0.03270)	\$0.00000	\$0.01828	\$0.53599
Small General Service	\$0.56131	(\$0.01090)	(\$0.03270)	\$0.00000	\$0.01828	\$0.53599
Large General Service	\$0.56131	(\$0.01090)	(\$0.03270)	\$0.00000	\$0.01828	\$0.53599
Unmetered Gas Light (1)	\$0.56131	(\$0.01090)	(\$0.03270)	\$0.00000	\$0.01828	\$0.53599
Large Volume Sales (3)	\$0.56131	(\$0.01090)	\$0.00000	\$0.00000	\$0.01828	\$0.56869
Large Volume Trans. (2)(4)				\$0.00000	\$0.01828	\$0.01828

- 1 Each Unmetered Gaslight Unit is equal to 15 Ccf.
- 2 Demand related purchase gas costs of \$0.66255 per Ccf of contract demand and \$0.02179 per Ccf of daily demand for authorized sales in excess of the contract demand are directly chargeable to customers on this rate.
- 3 Applies to Sales Service only.
- 4 Applies to Transportation Service, Intrastate Transportation Service and Whiteman Air Force Base.

DATE OF ISSUE: July 14, 2000
month day year

DATE EFFECTIVE: August 1, 2000
month day year

ISSUED BY: Robert J. Hack

Vice President, Pricing and Regulatory Affairs
Missouri Gas Energy, Kansas City, MO. 64111