



MISSOURI GAS ENERGY

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October 16, 2002

FILED³

OCT 18 2002

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

**Missouri Public
Service Commission**

RE: Case No. GR-2002-348, Missouri Gas Energy

Dear Mr. Roberts:

Enclosed for filing on behalf of Missouri Gas Energy are an original and three (3) copies of P.S.C. MO. No. 1, Nineteenth Revised Sheet No. 24.7, canceling Eighteenth Revised Sheet No. 24.7. This tariff sheet bears an issue date of October 18, 2002, and a proposed effective date of November 1, 2002.

By this filing, MGE proposes to make its scheduled winter adjustment to the Purchased Gas Adjustment (PGA) Rate as permitted under the provisions of Sheet No. 15 of MGE's tariff. MGE is proposing to adjust the Current Cost of Gas Factor (C.C.G.), Actual Cost Adjustment Factor (A.C.A.) and Refund Factor.

The new PGA rate proposed to go into effect on November 1, 2002 is \$0.54044 per Ccf; the PGA rate that went into effect on November 1, 2001 was \$0.51682. The proposed change in the PGA Rate reflects an increase of \$0.02362 per Ccf or a 4.6% increase over last winter's scheduled filing.

The proposed PGA rate reflects an increase of \$0.09853 per Ccf over the PGA Rate currently in effect of \$0.44191. The change in the PGA Rate reflects a change in the C.C.G. of \$0.13271 per Ccf, from the current amount of \$0.41900 to the proposed amount of \$0.55171.

The proposed PGA Rate also reflects a change to the A.C.A. Factor in the amount of (\$0.03125) per Ccf, from the current A.C.A. Factor of \$0.02630 to the proposed A.C.A. Factor of (\$0.00495).

The proposed PGA Rate also reflects a change to the Refund Factor of (\$0.00293) per Ccf, from the current Refund Factor of (\$0.00339) to the proposed Refund Factor of (\$0.00632).

The proposed adjustment has the net effect of increasing revenues in MGE's service area by approximately \$66,026,263 annually. This represents an overall 22.3% increase in 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:

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

Sincerely,



Michael R. Noack

CC: The Office of Public Counsel
Mike Langston
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

XIV. SUMMARY STATEMENT

Customer Class	C.C.G.	A.C.A	Refund	T.O.P.	T.C.	P.G.A. Rate
Residential	\$0.55171	(\$0.00495)	(\$0.00632)	\$0.00000	\$0.00000	\$0.54044
Small General Service	\$0.55171	(\$0.00495)	(\$0.00632)	\$0.00000	\$0.00000	\$0.54044
Large General Service	\$0.55171	(\$0.00495)	(\$0.00632)	\$0.00000	\$0.00000	\$0.54044
Unmetered Gas Light (1)	\$0.55171	(\$0.00495)	(\$0.00632)	\$0.00000	\$0.00000	\$0.54044
Large Volume Sales (3)	\$0.55171	(\$0.00495)	\$0.00000	\$0.00000	\$0.00000	\$0.54676
Large Volume Trans. (2)(4)					\$0.00000	\$0.00000

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: October 18, 2002
month day year

DATE EFFECTIVE: November 1, 2002
month day year

ISSUED BY: Robert J. Hack Vice President, Pricing and Regulatory Affairs
Missouri Gas Energy, Kansas City, Missouri 64111