STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 30th day of August, 1994.

In the matter of Missouri Gas Energy, tariff sheets)
reflecting PGA changes to be reviewed in the) Case No. GR-94-228
Company's 1993-1994 Actual Cost Adjustment)

ORDER APPROVING INTERIM RATES EFFECTIVE SEPTEMBER 1, 1994

On August 12, 1994, Missouri Gas Energy, a division of Southern Union Company (MGE or Company) of Kansas City, Missouri submitted to this Commission for approval, a tariff sheet which reflects changes in its Purchased Gas Adjustment (PGA) factors due to changes in the spot market index and recalculated Actual Cost Adjustment (ACA) and Take-or-Pay (TOP) factors. On August 17, 1994, and August 19, 1994, MGE submitted a substitute tariff sheet to correct minor computational and clerical errors, respectively. These changes will have the net effect of decreasing Company's annualized revenues by approximately \$20.7 million.

The Missouri Public Service Commission Staff (Staff) has recommended that this filing be approved, interim subject to refund, pending the final Commission decisions in Western Resources, Inc.'s (WRI), the local distribution company formerly serving the MGE area, ACA Case Nos. GR-92-80 and GR-93-140. On February 1, 1994, MGE purchased the WRI Missouri service territory, except for the Palmyra area. Case No. GR-94-228 was established to track the MGE 1993-1994 ACA activity for the period of February 1, 1994 through June 30, 1994. Case No. GR-94-101 tracked WRI's ACA activity from July 1, 1993 through January 31, 1994. Additionally, Staff requested permission to submit its audit recommendation to the Commission on or before June 1, 1995.

After reviewing Staff's recommendation and request, the Commission is of the opinion that for good cause shown pursuant to Section 393.140(11) RSMo 1986, the proposed tariff sheet, as substituted, should be allowed to become

effective on and after the requested effective date of September 1, 1994, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the following tariff sheet submitted August 12, 1994, as substituted, by Missouri Gas Energy, a division of Southern Union Company of Kansas City, Missouri for the purpose of reflecting changes in the PGA, ACA and TOP factors be, and it is, hereby authorized to become effective on and after September 1, 1994, interim subject to refund.

P.S.C. MO. No. 1

Fifth Revised Sheet No. 18 cancelling Fourth Revised Sheet No. 18

- 2. That Staff submit to the Commission on or before June 1, 1995 the results of its audit of the data submitted in this filing and its recommendations pertaining to such.
 - 3. That this order shall become effective on September 1, 1994.

BY THE COMMISSION

David L. Rauch

Executive Secretary

(SEAL)

Mueller, Chm., McClure, Perkins, Kincheloe, and Crumpton, CC., Concur.