

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
March 25, 1998**

**CASE NO: GR-98-167**

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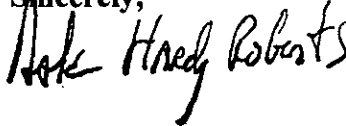
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**Enclosed find certified copy of ORDER in the above-numbered case(s).**

**Sincerely,**



**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

**Uncertified Copy:**

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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 25th  
day of March, 1998.

In the matter of Missouri Gas Energy's Purchased )  
Gas Adjustment factors to be reviewed in its ) Case No. GR-98-167  
1997-1998 Actual Cost Adjustment. )

ORDER APPROVING INTERIM RATES

Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri, submitted a tariff sheet to the Commission on March 17, 1998, carrying an effective date of April 1, 1998. The tariff sheet was filed to reflect scheduled changes in MGE's Purchased Gas Adjustment (PGA) factors as the result of changes in the cost of natural gas for the upcoming summer season. The summer season includes the months of April through October. The Refund factor will also change to adjust the balance of an existing refund and reflect the initiation of two additional refunds received from one of its suppliers, plus interest to be paid by MGE. The net effect of these changes will decrease the firm PGA factor for the summer season to \$3.4465 per Mcf from a winter season firm PGA factor of \$3.8777 per Mcf. This represents an approximate 11 % reduction in gas costs to consumers.

The Staff of the Commission (Staff) filed a memorandum stating that the change in MGE's PGA was calculated in conformance with the Company's approved PGA Clause and recommends that the Commission approve the tariff sheet to become effective on April 1, 1998. Staff stated that MGE's PGA Clause allows for ten (10) business days notice for filings reflecting PGA changes. Staff recommends that the Commission approve the tariff sheet to become effective April 1, 1998 on an interim basis, subject to refund, pending final Commission decisions in MGE's Actual Cost Adjustment Case Nos. GR-96-450 and GR-98-167.

The Commission has reviewed the tariff sheet and Staff's recommendation and finds that the tariff sheet conforms to the Company's Commission approved

PGA Clause and is therefore reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission finds that the proposed tariff sheet should be approved to become effective on and after the requested effective date of April 1, 1998, interim subject to refund.

**IT IS THEREFORE ORDERED:**

1. That the tariff sheet submitted on March 17, 1998, by Missouri Gas Energy, a division of Southern Union Company, of Kansas City, Missouri, is approved on an interim basis, subject to refund, to become effective on April 1, 1998. The tariff sheet approved is:

P.S.C. MO. No. 1

Sixth Revised SHEET No. 24.7 Canceling Fifth Revised SHEET No. 24.7

2. That this order shall become effective on April 1, 1998.

BY THE COMMISSION



Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,  
and Drainer, CC., concur.

George, Regulatory Law Judge