

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
October 29, 1999**

CASE NO: GR-99-304

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

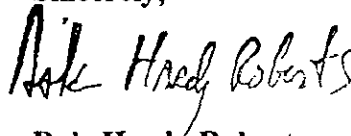
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Robert J. Hack
Missouri Gas Energy
3420 Broadway
Kansas City, MO 64111

Jeffrey A. Keevil
Stewart & Keevil, L.L.C.
Cherry Street Centre
1001 Cherry Street, Suite 302
Columbia, MO 65201

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

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copy:

Tina Monaldo
335 North Washington, Suite 130
Corporate Square, PO Box 728
Hutchinson, KS 67504-0728

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) Case No. GR-99-304
1998-1999 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 October 15, 1999, carrying an effective date of November 1, 1999. MGE filed a substitute tariff sheet on October 25, 1999 to correct an omission in the text. 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 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 effect of these changes will increase the firm PGA factor for the 1999-2000 winter season to \$0.41724 per Ccf from a summer season firm PGA factor of \$0.34174 per Ccf. This represents an approximate 22% increase in the cost of gas 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 filed October 15, 1999, and as substituted on October 25, 1999, to become effective on November 1, 1999. 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, as substituted, to become effective

November 1, 1999, on an interim basis, subject to refund, pending final Commission decisions in MGE's ACA Case Nos. GR-98-167 and GR-99-304. The Staff also requested that the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of the ACA period and submit its results and recommendations regarding this ACA filing on or before August 1, 2000.

The Commission has reviewed the tariff sheet filed on October 15, 1999, and as substituted on October 25, 1999, Staff's recommendation and request, 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, as substituted, should be approved to become effective on and after the requested effective date of November 1, 1999, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on October 15, 1999, and as substituted on October 25, 1999, 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 November 1, 1999. The tariff sheet approved is:

P.S.C. MO. No.1

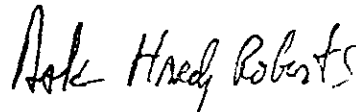
Twelfth Revised SHEET No. 24.7 Canceling Substitute Eleventh Revised

SHEET No. 24.7

2. That the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of this ACA period and submit its results and recommendations regarding this ACA filing on or before August 1, 2000.

3. That this order shall become effective on November 1, 1999.

BY THE COMMISSION



Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(S E A L)

Kevin Thompson, Deputy Chief
Regulatory Law Judge, by delegation
of authority pursuant to 4 CSR
240-2.120(1) (November 30, 1995)
and Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 29th day of October, 1999.

ALJ/Sec'y: Trimpson
10-26-99 GR-99-304
Date Circulated CASE NO.
DL
Lumpe, Chair
absent
Crumpton, Commissioner
DL
Murray, Commissioner
JS
Schemenauer, Commissioner
DL
Drainer, Vice-Chair
N/A
Agenda Date
Action taken: _____
Must Vote Not Later Than _____

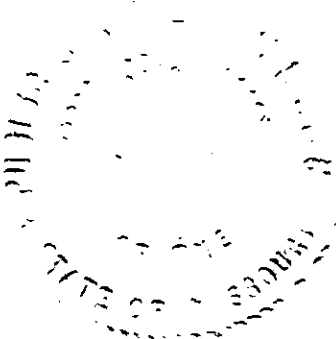
STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson
City,

Missouri, this 29th day of October, 1999.



Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge