

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

August 1, 2000

CASE NO: GO-2000-705

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

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

Sincerely,

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 1st
day of August, 2000.

In the Matter of Missouri Gas Energy's Fixed)
Commodity Price PGA and Transportation Discount) Case No. GO-2000-705
Incentive Mechanism.)

ORDER APPROVING STIPULATION AND AGREEMENT

On April 28, 2000, Missouri Gas Energy (MGE), a division of Southern Union Company, and the Staff of the Missouri Public Service Commission (Staff) filed a Stipulation and Agreement and requested Commission approval of that agreement. On May 15, 2000, MGE Staff, and the Office of the Public Counsel (Public Counsel) submitted an Amended Stipulation and Agreement.

The amended agreement states that its purpose is to:

1) provide system sales customers with a reliable supply of natural gas at stable and lower prices than would be achieved by continuation of current practices[Footnote omitted]; 2) provide MGE with a reasonable opportunity to generate earnings through skillful and prudent management of its gas supply, transportation and storage portfolio; and 3) streamline the regulatory process associated with gas supply, transportation and storage costs.

On May 11, 2000, the Commission issued notice of the agreement and allowed interested entities the opportunity to intervene. On May 19, 2000, MGE filed specimen tariff sheets.

Staff filed a recommendation on June 30, 2000. In its recommendation, Staff explained the specific provisions of the agreement. Staff recommended that the Commission approve the Amended Stipulation and Agreement and order MGE to file tariff sheets in compliance with the agreement.

The Commission sent notice to the parties on July 18, 2000, that it would request Staff to appear at its regularly scheduled meeting on July 20, 2000. Staff and counsel for the other parties were present to answer technical questions of the Commission.

The Commission has the legal authority to accept a Stipulation and Agreement as offered by the parties as a resolution of the issues raised in this case, pursuant to Section 536.060, RSMo Supp. 1999. In the Amended Stipulation and Agreement, the parties waived their rights to present testimony, cross-examine witnesses, present oral argument or briefs, and to seek rehearing or judicial review. Since no proper party filed an application to intervene and there are no outstanding requests for hearing, the Commission determines that an oral hearing is not necessary.

The Commission has considered the unanimous Amended Stipulation and Agreement and Staff's Recommendation. The Commission finds that the terms of the Amended Stipulation and Agreement are reasonable and should be approved.

IT IS THEREFORE ORDERED:

1. That the Amended Stipulation and Agreement filed on May 15, 2000, is approved.

2. That Missouri Gas Energy, a division of Southern Union Company, shall, within 30 days of the effective date of this order, file with the Commission tariff sheets to reflect the terms of the Amended Stipulation and Agreement.

3. That this order shall become effective on August 11, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer, Murray,
Schemenauer, and Simmons, CC.,
concur.

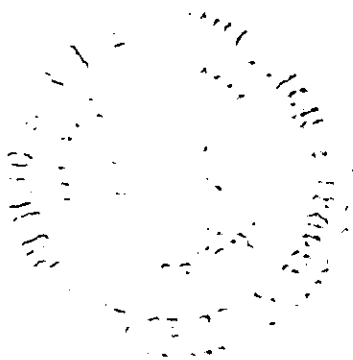
Dippell, Senior Regulatory Law Judge

Atty/Sec'y: Dyppell / Pope
7-27 GO-2000-705
 Date Circulated CASE NO.
SL
 Lumpe, Chair
will
 Drainer, Vice Chair
cr
 Murray, Commissioner
BE
 Schemenauer, Commissioner
KS
 Simmons, Commissioner
8-1
 Agenda Date
 Action taken: 5-OAS
 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 1st day of Aug. 2000.



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