



MISSOURI GAS ENERGY

3420 Broadway • Kansas City, MO • 64111-2404 • (816) 360-5755

ROBERT J. HACK

Vice President, Pricing & Regulatory Affairs

March 16, 2000

RECEIVED³

MAR 17 2000

*Records
Public Service Commission*

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

GT-2000-582

RE: Tariff File No. _____, Missouri Gas Energy

Dear Mr. Roberts:

Enclosed for filing are an original and three copies of P.S.C. MO. No. 1, Fourth Revised Sheet No. 24.6, canceling Third Revised Sheet No. 24.6. This tariff sheet bears an issue date of March 17, 2000, and a proposed effective date of April 16, 2000.

By this filing MGE proposes to reflect continuation of the Experimental Price Stabilization Charge. This proposal is made pursuant to discussions between MGE and the Staff of the Missouri Public Service Commission in the development of a Fixed Commodity Price PGA and is designed to ensure that MGE's system sales customers have some form of price protection in the 2000-2001 heating season. Additionally, continuation of the Experimental Price Stabilization Charge will help to balance cost recovery with the associated expenditures; MGE is currently in an under-recovered position with respect to Price Stabilization Fund expenditures for the 1999-2000 heating season.

MGE respectfully requests expedited approval of this filing on or before April 1, 2000. As good cause for such expedited approval in addition to the contents of the foregoing paragraph, MGE points out the interrelationship of this filing and the scheduled summer adjustment to the Purchased Gas Adjustment (PGA) Rate filed by MGE concurrently herewith under separate cover to become effective April 1, 2000.

Please forward copies of any commission order or notice associated with this filing to:

Robert J. Hack
Vice President, Pricing & Regulatory
Affairs
Missouri Gas Energy

Charles B. Hernandez
Director, Pricing & Regulatory
Affairs
Missouri Gas Energy

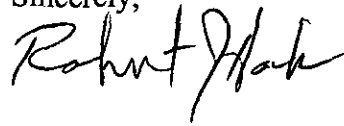
200000849

3420 Broadway
KC, MO 64111
816/360-5755
FAX: 816/360-5536

3420 Broadway
KC, MO 64111
816/360-5605
FAX: 816/360-5536

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert J. Hall".

CC: Office of the Public Counsel
Mike Langston
Jay Cummings
Charley Hernandez
Ken Hubbard
Gary W. Duffy

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

X. EXPERIMENTAL PRICE STABILIZATION FUND

For purposes of reducing the impact of natural gas price volatility on the Company's customers during the 1997/1998, 1998/1999 and 1999/2000 heating seasons, the Company shall maintain an Experimental Price Stabilization Fund for purposes of procuring certain natural gas financial instruments in accordance with parameters which have been designated "Highly Confidential" and are only available to the Missouri Public Service Commission or pursuant to the terms of a protective order issued by the Commission.

The Company shall recover all costs and expenses associated with such procurement through the inclusion of a Price Stabilization Factor as a component of the Current Cost of Gas and shown on the Purchased Gas Adjustment Statement Sheet 24.7 applicable to all customer classes except Large Volume Transportation Service.

Beginning August 1, 1997, all costs and expenses directly attributable to the procurement of such instruments shall be charged to the fund. All revenues collected through the Price Stabilization Charge and any financial gains derived therefrom shall be credited to the fund. At the end of each month carrying costs shall be applied to any balance in the fund at a simple rate of interest equal to the prime bank lending rate (as published in The Wall Street Journal on the first day of such month) minus one (1) percentage point.

Unless otherwise requested by the Company and approved by the Commission, the Experimental Price Stabilization Charge shall be terminated upon the effective date of the Winter PGA filing on or about November 1, 2000. Any debit or credit balance in the Experimental Price Stabilization Fund, including interest, shall be charged or returned to the Company's customers, excluding those taking Large Volume Transportation Service, through the ACA factor established in the next Winter PGA filing.

DATE OF ISSUE: March 17, 2000
 month day year

DATE EFFECTIVE: April 16, 2000
 month day year

ISSUED BY: Robert J. Hack

Vice President, Pricing and Regulatory Affairs
 Missouri Gas Energy, Kansas City, Missouri 64111