STATE OF MISSOURI PUBLIC SERVICE COMMISSION JEFFERSON CITY April 19, 1999

CASE NO: GR-99-304

Office of the Public Counsel

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

Sincerely,

Dale Hardy Roberts

Hole Hard 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 April 2, 1999, carrying an effective date of May 1, 1999. The tariff sheet was filed to reflect scheduled changes in MGE's Purchased Gas Adjustment (PGA) factor as a result of changes in the cost of natural gas for the upcoming summer season. Additionally, this tariff filing reflects changes in the refund factor, take or pay factor, the transition cost factor, and the termination of the Price Stabilization Charge.

The net effect of these changes will decrease the firm PGA factor for the 1999 summer season to \$0.34174 per Ccf from a winter season firm PGA factor of \$0.35413 per Ccf. This represents an approximate 3% decrease in gas costs to consumers.

The Staff of the Commission (Staff) filed a memorandum stating that the changes in MGE's PGA were calculated in conformance with the Company's approved PGA Clause. Staff stated that MGE's PGA Clause allows for at least ten (10) business days notice for filings reflecting PGA changes. Staff recommends that the Commission approve the tariff sheet to become effective May 1, 1999 on an interim basis, subject to refund, pending final Commission decisions in MGE's Actual Cost Adjustment (ACA) filings in Case Nos. GR-96-450,

GR-98-167 and GR-99-304.

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 is of the opinion that the proposed tariff sheet should be approved to become effective on and after the requested effective date of May 1, 1999, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on April 2, 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 May 1, 1999. The tariff sheet approved is:

P.S.C. MO. No.1

Eleventh Revised SHEET No. 24.7, Canceling Tenth Revised SHEET No. 24.7

2. That this order shall become effective on May 1, 1999.

BY THE COMMISSION

Dale Hardy Roberts

HAR HARD Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

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 19th day of April, 1999.



- 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 19TH day of APRIL, 1999.

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

Ask HARD Roberts