

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
April 24, 2001**

CASE NO: GR-2001-382

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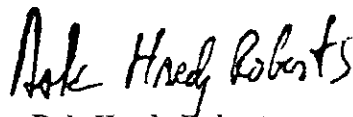
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Enclosed find certified copy of an **ORDER** in the above-numbered case(s).

Sincerely,



**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 24th
day of April, 2001.

In the Matter of Missouri Gas Energy's Purchased) Case No. GR-2001-382
Gas Adjustment Tariff Revisions to be Reviewed) Tariff No. 200101023
in Its 2000-2001 Actual Cost Adjustment.)

ORDER GRANTING WAIVER AND APPROVING INTERIM RATES

Missouri Gas Energy, a Division of Southern Union Company (MGE), of Kansas City, Missouri, submitted a tariff sheet to the Commission on April 4, 2001, carrying an effective date of May 1, 2001. This tariff sheet is intended to implement MGE's scheduled spring Purchased Gas Adjustment (PGA). Accompanying the tariff sheet was a motion for waiver to permit MGE to also implement an unscheduled winter PGA filing adjustment factor (UFA) of \$0.05 per Ccf.¹

The proposed tariff sheet was filed to implement scheduled changes in MGE's PGA factors as permitted by its tariff sheet 24.10. MGE proposes to adjust the Current Cost of Gas (C.C.G.) factor and the Refund factor. This change will decrease the C.C.G. factor from \$0.78967 per Ccf to \$0.74299 per Ccf, for a net decrease of \$0.04668 per Ccf. The Refund factor will increase from (\$0.01460) per Ccf to \$0.00 per Ccf, for a net increase of \$0.01460 per Ccf. The proposed adjustment has the net effect of decreasing revenues in MGE's service area by approximately \$21,497,235 annually, an overall decrease in revenues of 4.04 percent.

¹ "Ccf" is one hundred cubic feet.

In its Motion for Waiver, MGE stated that it projects that it will be under-recovered with respect to gas costs by the end of the current Actual Cost Adjustment (ACA) period. In order to moderate any such under-recovery that would have to be recovered through an increased PGA rate in the fall of 2001, MGE suggests that it is beneficial to take appropriate steps now. Thus, in the context of MGE's simultaneous summer PGA filing, which will pass on to consumers the benefit of reduced market costs for natural gas, MGE proposes to also reduce any deferred carrying cost balance (DCCB) under-recovery by instituting a UFA of \$0.05 per Ccf.²

The Staff of the Commission filed a memorandum and recommendation on April 13, 2001, recommending that the Commission grant the requested waiver and approve the proposed tariff sheet. Staff states that approval of this proposed tariff sheet will result in a reduction of the gas costs paid by MGE's customers for domestic uses of approximately two percent and defray some, but not all, of the expected DCCB under-recovery. Staff states that the proposed changes in MGE's PGA were calculated in conformance with the Company's approved PGA Clause, and that MGE's tariff permits the filing of proposed PGA tariffs on ten days' notice. Staff also states that MGE has shown good cause such that the requested waiver should be granted and the proposed tariff sheet approved.

Staff recommends that the Commission approve the tariff sheets to become effective May 1, 2001, on an interim basis, subject to refund, pending a final Commission decision in MGE's pending ACA cases, Case Nos. GR-2000-425, GR-99-304, GR-98-167, and GR-96-450.

²The deferred carrying cost balance (DCCB) is the difference between the cost of gas during the Actual Cost Adjustment (ACA) year and the revenues received for gas during the same period.

The Commission has reviewed MGE's motion, the proposed tariff sheet and Staff's recommendation and memorandum, and finds that the tariff sheet conforms to MGE'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 2000, the Commission finds that MGE has shown good cause such that the proposed tariff sheet should be approved on less than 30 days notice. Because the implementation of a UFA now will ease the effect on consumers of the DCCB under-recovery, the Commission concludes that the requested waiver should be granted. Likewise, the proposed tariff sheet should be approved for service rendered on and after the requested effective date of May 1, 2001, on an interim basis, subject to refund.

IT IS THEREFORE ORDERED:

1. That the waiver requested on April 4, 2001, by Missouri Gas Energy, a Division of Southern Union Company, of Kansas City, Missouri, is granted.

2. That the tariff sheet submitted on April 4, 2001, by Missouri Gas Energy, a Division of Southern Union Company, of Kansas City, Missouri, Tariff File No. 200101023, is approved on an interim basis, subject to refund, for service rendered on and after May 1, 2001. The tariff sheet approved is:

P.S.C. Mo. No. 1

4th Revised SHEET No. 24.32, Canceling 3rd Revised SHEET No. 24.32

3. That this order shall become effective on May 1, 2001.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive style with a large initial "D".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Thompson, Deputy Chief Regulatory Law Judge

ALJ/Secretary: Thompson / Pope

4-19
Date Circulated GR-2001-382
CASE NO.

AK
Lampe, Chair

med
Draher, Vice Chair

CM
Murray, Commissioner

KS
Simmons, Commissioner

7/7
Gaw, Commissioner

4-24
Agenda Date

Action taken: 5-045

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 24th day of April 2001.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

