

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
January 23, 2001**

**CASE NO: GR-2001-382**

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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 23rd  
day of January, 2001.

In the Matter of Missouri Gas Energy's Purchased ) Case No. GR-2001-382  
Gas Adjustment Tariff Revisions to be Reviewed ) Tariff No. 200100717  
in Its 2000-2001 Actual Cost Adjustment. )

**ORDER 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 January 9, 2001, carrying an effective date of January 24, 2001. On January 19, 2001, the Office of the Public Counsel filed a Request for an Emergency Actual Cost Adjustment (ACA) Review of MGE's Purchasing Practices for the Winter 2000-2001 and Motion for Expedited Treatment. Also on January 19, the City of Joplin filed an Application to Intervene. Both of these pleadings will be addressed in a subsequent order.

The proposed tariff sheet was filed to reflect unscheduled changes in MGE's Purchased Gas Adjustment (PGA) factors as the result of current high prices of natural gas which exceed those contained in MGE's scheduled winter heating season PGA tariff.<sup>1</sup> MGE proposes to adjust the Current Cost of Gas (C.C.G.) factor. The net effect of this change will increase the firm PGA factor for the remainder of the 2000-2001 winter season to \$0.98161 per Ccf from the current firm PGA factor of \$0.68056 per Ccf.

The Staff of the Commission (Staff) filed a memorandum and recommendation on January 22, 2001, stating that MGE's Deferred Carrying

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<sup>1</sup> The winter season includes the months of November through March.

Cost Balance (DCCB) is currently increasing at a rate in excess of \$1 million daily due to the difference between the Company's current retail rates and the market price of natural gas. The DCCB, plus interest, will be included in the rate calculations used to compute MGE's next ACA factor. This could cause an increase in next year's PGA rates. Staff further states that, if the DCCB becomes overly large, it will negatively impact MGE's ability to borrow money and procure additional supplies of natural gas. Staff states that MGE has informed it that, even with approval of the proposed unscheduled PGA tariff, it anticipates a shortfall of \$18 million for the current heating season which will necessarily be included in the ACA factor that will take effect next winter. Finally, Staff states that the 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 recommends that the Commission approve the tariff sheets to become effective January 24, 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. The Public Counsel has not requested that the proposed tariff sheet be suspended.

The Commission has reviewed 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 1994, the Commission finds that the proposed tariff sheet should be approved for service rendered on and after the requested effective date of January 24, 2001, on an interim basis, subject to refund.

**IT IS THEREFORE ORDERED:**

1. That the tariff sheet submitted on January 9, 2001, 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 January 24, 2001. The tariff sheet approved is:

P.S.C. Mo. No. 1

2<sup>nd</sup> Revised SHEET No. 24.32, Canceling 1<sup>st</sup> Revised SHEET No. 24.32

2. That this order shall become effective on January 24, 2001.

**BY THE COMMISSION**



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

( S E A L )

Lumpe, Ch., Drainer, and Murray,  
CC., concur.  
Schemenauer, C., dissents, with  
dissenting opinion attached.  
Simmons, C., dissents, with  
dissenting opinion attached.

Thompson, Deputy Chief Regulatory Law Judge

ALJ/Sec'y: Thompson / Pope

1-22  
Date Circulated

GR-2001-382  
CASE NO.

[Signature]  
Lumpe, Chair

[Signature]  
Drainer, Vice Chair

[Signature]  
Murray, Commissioner

[Signature] attached  
Schemenauer, Commissioner

KS (no dissent to be attached)  
Simmons, Commissioner

1-23  
Agenda Date

OK

Action taken: 3-2 AS

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 23<sup>rd</sup> day of Jan. 2001.

Dale Hardy Roberts

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

