

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
February 20, 2001**

CASE NO: GR-2001-382

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Gary W. Duffy/Dean Cooper
Brydon, Swearingen & England P.C.
P. O. Box 456
Jefferson City, MO 65102

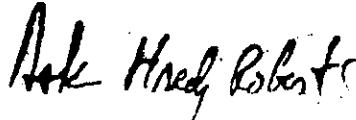
James B. Deutsch/Henry T. Herschel
Blitz, Bardgett & Deutsch, L.C.
308 East High Street, Suite 301
Jefferson City, MO 65101

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,



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 20th
day of February, 2001.

In the Matter of Missouri Gas Energy's Purchased) Case No. GR-2001-382
Gas Adjustment Tariff Revisions to be Reviewed) Tariff No. 200100826
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 February 13, 2001, carrying an effective date of March 1, 2001. Accompanying the tariff sheet was a motion for waiver to permit MGE to make a second unscheduled winter Purchased Gas Adjustment (PGA) filing.

The proposed tariff sheet was filed to reflect unscheduled changes in MGE's PGA factors as the result of a reduction in the previous high prices of natural gas. MGE states that the first-of-the-month index price has declined from approximately \$10.00 per MMBtu, an all time high, in January 2001 to \$6.30 per MMBtu in February 2001. MGE proposes to adjust the Current Cost of Gas (C.C.G.) factor in order to pass along the benefit of lower natural gas market prices to its customers. The net effect of this change will decrease the firm PGA factor for the remainder of the 2000-2001 winter season to \$0.79337 per Ccf from the current firm PGA factor of \$0.98161 per Ccf.¹

The Staff of the Commission (Staff) filed a memorandum and recommendation on February 15, 2001, recommending that the Commission grant the requested waiver and approve the proposed tariff sheet. Staff states

¹ The winter heating season extends from November through March.

28

that approval of this proposed tariff sheet will result in a reduction of the gas costs paid by MGE's customers for home heating and other domestic uses and that the actual impact of the tariff will vary with the weather. 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 March 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.

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 2000, the Commission finds that the requested waiver should be granted and the proposed tariff sheet should be approved for service rendered on and after the requested effective date of March 1, 2001, on an interim basis, subject to refund.

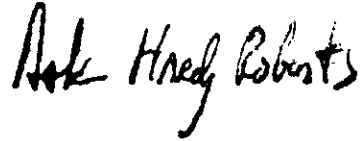
IT IS THEREFORE ORDERED:

1. That the waiver requested on February 13, 2001, by Missouri Gas Energy, a Division of Southern Union Company, of Kansas City, Missouri, is granted.

2. That the tariff sheet submitted on February 13, 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 March 1, 2001. The tariff sheet approved is:

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

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Thompson, Deputy Chief Regulatory Law Judge

ALJ/Sec'y:

Thompson / Page

2-15

GR-2001-382

Date Circulated

CASE NO.

JS/p2

Lumpke, Chair

me

Draher, Vice Chair

CM

Murray, Commissioner

OK

Schemmner, Commissioner

KS

Simmons, Commissioner

2-20

Agenda Date

OK

Action taken:

4-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 20th day of February 2001.

Dale Hardy Roberts

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

