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August 16, 2000

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DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

FILED³

AUG 16 2000

Missouri Public
Service Commission

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

RE: Case No. GO-2000-705

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Thomas R. Schwarz, Jr.

Thomas R. Schwarz, Jr.
Deputy General Counsel
(573) 751-5239
(573) 751-9285 (Fax)

TRS:sw
Enclosure
cc: Counsel of Record

FILED³

AUG 16 2000

BEFORE THE PUBLIC SERVICE COMMISSION ^{Missouri Public} Service Commission
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's)
fixed commodity price PGA and)
transportation discount incentive)
mechanism.)

Case No. GO-2000-705

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and respectfully states as follows:

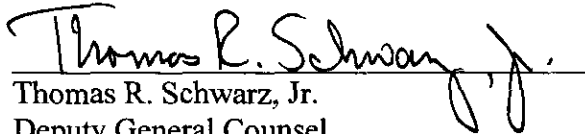
1. On August 7, 2000 Missouri Gas Energy, a division of Southern Union Company ("MGE") filed tariff sheets with the Commission on 30 days notice to implement the Commission's order approving the stipulation and agreement in this case. On August 10, 2000, MGE filed a substitute tariff sheet to correct a typographical error. MGE has asked for expedited approval of these tariff sheets.

2. Staff has reviewed the tariff sheets, and recommends their approval in accord with the Staff Memorandum attached hereto as Appendix A.

3. Given the uncertainty and volatility of the natural gas market at the present time, Staff believes that there is good cause pursuant to §393.140(11), RSMo 1994 to approve this filing on less than thirty days notice.

Respectfully submitted,

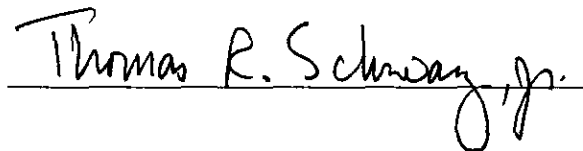
DANA K. JOYCE
General Counsel


Thomas R. Schwarz, Jr.
Deputy General Counsel
Missouri Bar No. 29645

Attorney for the Staff of the
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 16th day of August, 2000.



MEMORANDUM

FILED³

AUG 16 2000

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2000-705, File No. 200100119, Missouri Gas Energy

Missouri Public
Service Commission

FROM: Mike Straub, Assistant Manager, Gas - Tariffs/Rate Design, Project Coordinator *mm*
Jim Gray, Regulatory Economist *pm*

[Signature] 8/14/00
Project Coordinator/Date

[Signature] 8/15/00
General Counsel's Office/Date

SUBJECT: Staff Recommendation on Tariff Sheets Filed to Comply with the Commission's
Order Issued August 1, 2000.

DATE: August 14, 2000

On August 7, 2000, Missouri Gas Energy, a division of Southern Union Company (MGE or Company) of Kansas City, Missouri, filed tariff sheets with the Missouri Public Service Commission (Commission). On August 10, 2000, MGE filed a substitute tariff sheet to correct a typographical error. The tariff sheets provide for the required 30 days notice by having a September 6, 2000, effective date. In its letter accompanying this filing, MGE is requesting expedited approval of these tariff sheets, but the Company did not request a specific date. The Company is requesting expedited approval of the tariff sheets to give MGE more available time to execute the hedging portion of the Gas Supply Incentive Plan (GSIP).

The purpose of this filing is to comply with the Commission's ORDER APPROVING STIPULATION AND AGREEMENT (Order), issued on August 1, 2000, approving the AMENDED STIPULATION AND AGREEMENT (Stipulation) filed on May 15, 2000. The Commission's Order requires MGE to file tariff sheets, within 30 days of the effective date of the Order, to implement the GSIP.

The Commission Staff (Staff) has reviewed the Company's tariff sheets filed August 7, 2000, and as substituted on August 10, 2000, and is of the opinion that they comply with the Commission Order and are substantially the same as the specimen tariff sheets submitted on May 19, 2000, as provided for in the Stipulation. Staff is unaware of any issue currently pending before the Commission that affects or is affected by this filing. Staff is of the opinion that this filing is in compliance with the Commission's Order and Staff has no objection to the Company's request for expedited approval. Therefore, Staff recommends that the following tariff sheets filed on August 7, 2000, and as substituted on August 10, 2000, be approved:

P.S.C. MO. No. 1

Sixteenth Revised SHEET No. 24.7, Canceling Fifteenth Revised SHEET No. 24.7
Second Revised SHEET No. 24.8, Canceling First Revised SHEET No. 24.8
Second Revised SHEET No. 24.9, Canceling First Revised SHEET No. 24.9
Second Revised SHEET No. 24.10, Canceling First Revised SHEET No. 24.10
Second Revised SHEET No. 24.11, Canceling First Revised SHEET No. 24.11

Appendix A

OFFICIAL CASE FILE MEMORANDUM

PAGE 2 OF 2

Second Revised SHEET No. 24.12, Canceling First Revised SHEET No. 24.12

Thirteenth Revised SHEET No. 24.13, Canceling Twelfth Revised SHEET No. 24.13

Original SHEET No. 24.14

Original SHEET No. 24.15

Original SHEET No. 24.16

Original SHEET No. 24.17

Original SHEET No. 24.18

Original SHEET No. 24.19

Original SHEET No. 24.20

Original SHEET No. 24.21

Original SHEET No. 24.22

Original SHEET No. 24.23

Original SHEET No. 24.24

Original SHEET No. 24.25

Original SHEET No. 24.26

Original SHEET No. 24.27

Original SHEET No. 24.28

Original SHEET No. 24.29

Original SHEET No. 24.30

Original SHEET No. 24.31

Original SHEET No. 24.32

Service List for
Case No. GO-2000-705
Revised: August 16, 2000

Office of the Public Counsel
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