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March 23, 2000

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

RE: Case No. GT-2000-582

FILED²

MAR 23 2000

Missouri Public
Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) 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,

Lera L. Shemwell
Assistant General Counsel
(573) 751-7431
(573) 751-9285 (Fax)

LLS:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

MAR 23 2000

Missouri Public
Service Commission

In the Matter of Missouri Gas Energy's)
Tariff to Reflect Continuation of the)
Experimental Price Stabilization Charge.)

Case No. GT-2000-582

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation states:

1. The Commission may "for good cause shown" allow changes to a tariff without requiring thirty days notice. Section 393.140(11) RSMo 1994.
2. Commission rule 4 CSR 240-2.065(2) states that when a public utility submits a tariff for Commission approval but requests that the tariff become effective in less than thirty (30) days, the Commission shall establish a case file. Such request must state good cause for expedited treatment.
- 3 Missouri Gas Energy (MGE) has asked for expedited treatment of the tariff. MGE requests such treatment for this tariff because of its interrelation with MGE's summer PGA filing which is to become effective April 1, 2000.
4. In the attached Memorandum, labeled Appendix A, the Staff recommends that the Missouri Public Service Commission issue an Order on an expedited basis approving the following tariff sheets effective on or before April 1, 2000:

P.S.C. MO. No. 1

Fourth SHEET No. 24.6 Canceling Third Revised SHEET No. 24.6

5 The Staff states that the requested action benefits consumers in that it is designed to lessen the impact the Experimental Price Stabilization Charge may have on next year's ACA factor so Staff is recommending that the Commission take the action requested.

WHEREFORE Staff recommends that the Commission approve the above noted tariff filing on an expedited basis.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Lera L. Shemwell
Assistant General Counsel
Missouri Bar No. 43792

Attorney for the Staff of the
Missouri Public Service Commission
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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 23rd day of March 2000.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GT-2000-582, File No. 200000849, Missouri Gas Energy

FROM: Mike Straub, Gas Department – Tariffs/Rate Design *MS*

Pradhan Matogjiw 3/22/00 *Thomas R. Schwann Jr.* 3/23/00
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation on Tariff Sheet Filed to Extend Collection of the
Experimental Price Stabilization Charge.

DATE: March 22, 2000

On March 17, 2000, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, of Kansas City, Missouri filed a tariff sheet with a 30 day effective date of April 16, 2000. In its letter accompanying this filing, MGE requested expedited approval from the Missouri Public Service Commission (Commission) so the tariff sheet may be permitted to become effective on or before April 1, 2000. The tariff sheet was filed to extend the collection of the Experimental Price Stabilization Charge (EPSC) until the effective date of the Company's scheduled winter Purchased Gas Adjustment (PGA) filing on or about November 1, 2000. This filing is not requesting a further extension of the Experimental Price Stabilization Fund (EPSF). Also on March 17, 2000, MGE filed its scheduled summer PGA filing (File No. 200000845) which incorporates the EPSC. The proposed effective date of the scheduled summer PGA filing is April 1, 2000.

By order effective October 15, 1999, the Commission approved, a filing by MGE to renew, for the winter of 1999/2000, the ESPF and provide for the collection of the EPSC until the effective date of the Company's scheduled summer PGA filing on or about April 1, 2000. The EPSC is a component of the Current Cost of Gas (CCG) factor contained in the PGA clause and, therefore, can only be modified or terminated concurrently with a PGA filing.

The current tariff states: "Any debit or credit balance in the EPSF, including interest, shall be charged or returned to the Company's customers, excluding those taking Large Volume Transportation Service, through the Actual Cost Adjustment (ACA) factor established in the next Winter PGA filing." However, due to the significant under-collection resulting from the warmer-than-normal 1999/2000 winter season, the Company is proposing to continue collection of the EPSC through the summer. This will help lessen the possible impact the EPSC will have on next year's ACA factor.

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OFFICIAL CASE FILE MEMORANDUM
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The Commission's Gas Department – Tariffs/Rate Design Staff (Staff) has reviewed this filing and has no objection to the continuation of the EPSC as requested by the Company. It is Staff's opinion that good cause exists for approving this filing on less than 30 days notice. Good cause is demonstrated by the necessity to approve this filing before or concurrently with MGE's pending scheduled summer PGA filing. Other than the pending PGA filing, Staff is unaware of any issue currently pending before the Commission that affects or is affected by this filing. Therefore, Staff recommends the Commission approve the following tariff sheet to become effective on or before April 1, 2000, the effective date of the scheduled summer PGA filing:

P.S.C. MO. No. 1

Fourth Revised SHEET No. 24.6 Canceling Third Revised SHEET No. 24.6

**Service List for
Case No. GT-2000-582
March 23, 20000**

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