## STATE OF MISSOURI PUBLIC SERVICE COMMISSION JEFFERSON CITY September 21, 1999

**CASE NO: GR-98-167** 

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

Sincerely.

Dale Hardy Roberts

Hoke HARD Roberts

Secretary/Chief Regulatory Law Judge

**Uncertified Copy:** 

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# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's	)		
Purchased Gas Cost Adjustment Tariff	)	Case No.	GR-98-167
Revisions to be Reviewed in its 1997-	)		
1998 Actual Cost Adjustment.	)		

#### ORDER DIRECTING RESPONSE

This case was opened for the purpose of receiving the 1997-1998 Purchased Gas Adjustment (PGA) filings and Actual Cost Adjustment (ACA) filing of Missouri Gas Energy (MGE). On August 12, 1999, the Procurement Analysis Department of the Staff of the Missouri Public Service Commission (Staff) filed a memorandum indicating that Staff has reviewed MGE's 1997-1998 ACA filing. Staff stated that it audited the billed revenues and actual gas costs, and examined the prudence of MGE's gas purchasing decisions.

Staff stated that MGE transports its gas supply over Panhandle Eastern Pipeline (PEPL), Williams Natural Gas (WNG), Mid-Kansas Partnership/Riverside Pipeline Company (Mid-Kansas/Riverside), and KN Interstate Pipeline (KNIP). The Staff noted that Case GR-96-450 regarding MGE's 1996-1997 ACA filing is pending before the Commission. Staff stated that it proposes an adjustment to reduce MGE's gas cost by \$4,330,731.88 because it believes that MGE incurred natural gas costs (fixed and variable transportation charges and gas supply costs) with

respect to its gas supply and transportation contract with Mid-Kansas/Riverside that are substantially greater than market costs. This recommendation is consistent with the recommendation Staff made in Case No. GR-96-450. Staff also proposes an adjustment to MGE's ACA balance based upon incorrect interest calculations on MGE's deferred carrying cost balance (DCCB), which will increase any final Commission approved under collected ACA balance or decrease any final Commission approved over collected ACA balance. Staff recommended that this case remain open pending an order from the Commission in Case No. GR-96-450.

The Commission has reviewed the memorandum filed by Staff and determines that MGE shall file a response to Staff's recommendation.

#### IT IS THEREFORE ORDERED:

 That Missouri Gas Energy shall file a response to the recommendation of the Staff of the Commission no later than October 21, 1999. 2. That this order shall become effective on October 1, 1999.

HAL HARD Roberts

Dale Hardy Roberts Secretary/Chief Regulatory Law Judge

(SEAL)

Shelly A. Register, Regulatory Law Judge, by delegation of authority pursuant to 4 CSR 240-2.120(1), (November 30, 1995) and Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri, on this 21st day of September, 1999.

### 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 21ST day of SEPTEMBER, 1999.

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Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge