



MISSOURI GAS ENERGY

3420 Broadway, • Kansas City, MO • 64111-2404 • (816) 360-5605

CHARLES B. HERNANDEZ

DIRECTOR, PRICING AND REGULATORY AFFAIRS

October 17, 1997

FILED

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MISSOURI
PUBLIC SERVICE COMMISSION

Mr. Cecil I. Wright
Executive Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Re: PGA, Missouri Gas Energy

GR-98-167

Dear Mr. Wright:

Enclosed for filing are an original and three copies of P.S.C. MO. No. 1 Fourth Revised Sheet No. 24.7, canceling Third Revised Sheet No. 24.7. This tariff sheet bears an issue date of October 17, 1997, and a proposed effective date of November 1, 1997.

By this filing, MGE proposes to make its first scheduled winter adjustment to the Purchased Gas Adjustment (PGA) Rate under the provisions of the PGA tariff that were revised and approved as a result of the Commission's Order approving the Stipulation and Agreement in Case No. GO-97-409. MGE is proposing to adjust the Current Cost of Gas Factor (CCG) and the Transition Cost Recovery Factor (TC), both of which are components of the Purchased Gas Adjustment (PGA) Rate.

The new PGA rate proposed in this filing is \$4.4866; the PGA Rate currently in effect is \$3.5829. The change in the commodity charge reflects an increase of \$0.9037. The proposed adjustments have the net effect of increasing revenues in MGE's service area by \$59,872,313.76 annually. This represents an overall 25.2% increase in revenues.

Work papers supporting the calculations performed in developing the proposed Current Cost of Gas Factor (CCG) and the Transition Cost Recovery Factor (TC) have been provided this date under separate cover letter to the Commission Staff and The Office of Public Counsel.

Please bring this filing to the attention of the appropriate Commission personnel and the Commission for approval. In addition, please forward copies of any Commission order or notice associated with this filing to:

3800293

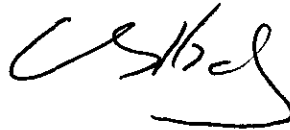
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Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Hack", with a long horizontal flourish extending to the right.

cc: Office of Public Counsel
Mr. Mike Langston (SUG)
Mr. Jay Cummings (SUG)
Mr. Gary W. Duffy (BS&E)

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas
Community, Town or City

Name of Issuing Corporation

PURCHASED GAS COST ADJUSTMENT

PGA

XI ADJUSTMENT STATEMENT

For billings on and after August 15, 1997, any increase or decrease in the PGA/EGCIM rate shall be applied to customers' bills for service rendered on and after the effective date of the change. The PGA/EGCIM rate effective immediately prior to August 15, 1997, shall be applied to customers' bills for service rendered prior to August 15, 1997. Bills computed which contain multiple PGA/EGCIM rate changes during a customer's billing cycle shall be prorated between the old and new rates in proportion to the number of days in the customer's billing cycle that such rates were in effect.

Customer Class	C.C.G.	A.C.A	Refund	T.O.P.	T.C.	P.G.A. Rate
Residential	\$4.2555	\$0.1803	(\$0.0657)	\$0.0622	\$0.0543	\$4.4866
Small General Service	\$4.2555	\$0.1803	(\$0.0657)	\$0.0622	\$0.0543	\$4.4866
Large General Service	\$4.2555	\$0.1803	(\$0.0657)	\$0.0622	\$0.0543	\$4.4866
Unmetered Gas Light (1)	\$4.2555	\$0.1803	(\$0.0657)	\$0.0622	\$0.0543	\$4.4866
Large Volume Sales (3)	\$4.2555	\$0.1803	\$0.0000	\$0.0622	\$0.0543	\$4.5523
Large Volume Trans. (2)(4)				\$0.0622	\$0.0363	\$0.0985

- 1 Each Unmetered Gaslight Unit is equal to 1.5 Mcf.
- 2 Demand related purchase gas costs of \$6.6255 per Mcf of contract demand and \$0.2179 per Mcf of daily demand for authorized sales in excess of the contract demand are directly chargeable to customers on this rate.
- 3 Applies to Sales Service only.
- 4 Applies to Transportation Service, Intrastate Transportation Service and Whiteman Air Force Base.

DATE OF ISSUE: October 17, 1997
month day year

DATE EFFECTIVE: November 1, 1997
month day year

ISSUED BY: Charles B. Hernandez

Director, Pricing and Regulatory Affairs
Missouri Gas Energy, Kansas City, Missouri 64111