



**MISSOURI GAS ENERGY**

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

**CHARLES B. HERNANDEZ**

DIRECTOR, PRICING AND REGULATORY AFFAIRS

October 15, 1998

**FILED**  
OCT 16 1998  
Missouri Public  
Service Commission

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

**Re: Case No.: GR-98-167, Missouri Gas Energy**

Dear Mr. Roberts:

Enclosed for filing are an original and three copies of P.S.C. MO. No. 1, Eighth Revised Sheet No. 24.7, canceling Seventh Revised Sheet No. 24.7. This tariff sheet bears an issue date of October 16, 1998, and a proposed effective date of November 2, 1998.

By this filing, MGE proposes to make its winter adjustment to the Purchased Gas Adjustment (PGA) Rate as permitted 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 (C.C.G), Actual Cost Adjustment (A.C.A.), Refund Factor, Take or Pay (TOP), and Transition Costs (TC), all of which are components of the PGA Rate.

The new PGA rate proposed in this filing is \$0.39490 per Ccf; the PGA Rate currently in effect is \$0.34465 (converted to Ccf). The proposed change in the PGA Rate reflects an increase of \$0.05025 per Ccf. The proposed adjustments have the net effect of increasing revenues in MGE's service area by \$33,558,760.74 annually. This represents an overall 14.56% increase in revenues.

The TOP factor and the TC factor include a reclassification of approximately \$1,000,000 of what had been TOP costs to TC. This reclassification is appropriate due to the Administrative Law Judge's initial decision in Case No. RP96-173-002, et al., which is now pending on exceptions to the FERC.

Work papers supporting the calculations performed in developing the proposed changes have been provided this date under separate cover letter to the Commission's Staff and The Office of the Public Counsel.

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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:

Charles B. Hernandez  
Director, Pricing & Regulatory Affairs  
Missouri Gas Energy  
3420 Broadway  
Kansas City, MO 64111  
(816)360-5605  
(816)360-5536 (fax)

Robert J. Hack  
Senior Attorney  
Missouri Gas Energy  
3420 Broadway  
Kansas City, MO 64111  
(816)360-5755  
(816)360-5536 (fax)

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "RJ Hack", with a horizontal line underneath the name.

cc: The Office of Public Counsel  
Mike Langston  
Jay Cummings  
Gary W. Duffy  
Jeff Keevil

Missouri Gas Energy,  
a Division of Southern Union Company  
Name of Issuing Corporation

For: All Missouri Service Areas  
Community, Town or City

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.	Total P.G.A. Rate
Residential	\$0.40660	\$0.00660	(\$0.02410)	\$0.00190	\$0.00390	\$0.39490
Small General Service	\$0.40660	\$0.00660	(\$0.02410)	\$0.00190	\$0.00390	\$0.39490
Large General Service	\$0.40660	\$0.00660	(\$0.02410)	\$0.00190	\$0.00390	\$0.39490
Unmetered Gas Light (1)	\$0.40660	\$0.00660	(\$0.02410)	\$0.00190	\$0.00390	\$0.39490
Large Volume Sales (3)	\$0.40660	\$0.00660	\$0.00000	\$0.00190	\$0.00380	\$0.41890
Large Volume Trans. (2)(4)				\$0.00190	\$0.00380	\$0.00570

- 1 Each Unmetered Gaslight Unit is equal to 15 Ccf.
- 2 Demand related purchase gas costs of \$0.66255 per Ccf of contract demand and \$0.02179 per Ccf 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 16, 1998  
month day year

DATE EFFECTIVE: November 2, 1998  
month day year

ISSUED BY: Charles B. Hernandez Director, Pricing and Regulatory Affairs  
Missouri Gas Energy, Kansas City, Missouri 64111