



MISSOURI GAS ENERGY

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ROBERT J. HACK

Vice President, Pricing & Regulatory Affairs

January 14, 1999

FILED
JAN 15 1999
Missouri Public
Service Commission

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

RE: Case No. GR-99-306, Missouri Gas Energy

Dear Mr. Roberts:

Enclosed for filing are an original and three copies of P.S.C. MO. No. 1, Tenth Revised Sheet No. 24.7, canceling Ninth Revised Sheet No. 24.7. This tariff sheet bears an issue date of January 15, 1999, and a proposed effective date of February 1, 1999.

By this filing, MGE proposes to make an unscheduled adjustment to the Purchased Gas Adjustment (PGA) Rate as permitted under the provisions of Sheet No. 15 of MGE's tariff. MGE is proposing to adjust the Current Cost of Gas Factor (C.C.G.), a component of the PGA Rate.

The new PGA rate proposed in this filing is \$0.35413 per Ccf; the PGA Rate currently in effect is \$0.39490. The proposed change in the PGA Rate reflects a decrease of \$0.04077 per Ccf. The proposed adjustment has the net effect of decreasing revenues in MGE's service area by approximately \$27,254,794 annually. This represents an overall 10.32% decrease in revenues.

Workpapers 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.

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

Robert J. Hack
Vice President, Pricing & Regulatory
Affairs
Missouri Gas Energy

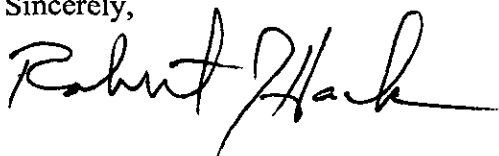
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Thank you for bringing this matter to the attention of the Commission and the appropriate Commission personnel.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Hark". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

Any increase or decrease in the PGA/EGCIM rate shall be applied to customer's bills for service rendered on and after the effective date of the change. 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	\$0.36583	\$0.00660	(\$0.02410)	\$0.00190	\$0.00390	\$0.35413
Small General Service	\$0.36583	\$0.00660	(\$0.02410)	\$0.00190	\$0.00390	\$0.35413
Large General Service	\$0.36583	\$0.00660	(\$0.02410)	\$0.00190	\$0.00390	\$0.35413
Unmetered Gas Light (1)	\$0.36583	\$0.00660	(\$0.02410)	\$0.00190	\$0.00390	\$0.35413
Large Volume Sales (3)	\$0.36583	\$0.00660	\$0.00000	\$0.00190	\$0.00380	\$0.37813
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: January 15, 1999
month day year

DATE EFFECTIVE: February 1, 1999
month day year

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