



MISSOURI GAS ENERGY

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ROBERT J. HACK
SENIOR ATTORNEY

January 14, 1997

FILED
JAN 15 1998
MISSOURI
PUBLIC SERVICE COMMISSION

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

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

Dear Mr. Wright:

Enclosed for filing are an original and three copies of P.S.C. MO. No. 1, Fifth Revised Sheet No. 24.7, canceling Fourth Revised Sheet No. 24.7. This tariff sheet bears an issue date of January 15, 1998, and a proposed effective date of February 1, 1998.

By this filing, MGE proposes to make an unscheduled 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) and the Refund Factor, both of which are components of the PGA Rate.

The new PGA rate proposed in this filing is \$3.8777; the PGA Rate currently in effect is \$4.4866. The proposed change in the PGA Rate reflects a decrease of \$0.6089. The proposed adjustments have the net effect of decreasing revenues in MGE's service area by \$40,341,099.76 annually. This represents an overall 13.57% decrease in revenues.

Work papers supporting the calculations performed in developing the proposed Current Cost of Gas Factor (C.C.G.) and the Refund Factor have been provided this date under separate cover letter to the Commission's 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:

Charles B. Hernandez
Director, Pricing & Regulatory Affairs
Missouri Gas Energy

Robert J. Hack
Senior Attorney
Missouri Gas Energy

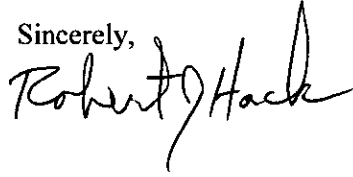
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Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Hack". The signature is fluid and cursive, with the first name "Robert" and last name "Hack" clearly distinguishable.

cc: The Office of Public Counsel
Charles B. Hernandez
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. | P.G.A. Rate |
|----------------------------|----------|----------|------------|----------|----------|----------------|
| Residential | \$3.7260 | \$0.1803 | (\$0.1451) | \$0.0622 | \$0.0543 | \$3.8777 |
| Small General Service | \$3.7260 | \$0.1803 | (\$0.1451) | \$0.0622 | \$0.0543 | \$3.8777 |
| Large General Service | \$3.7260 | \$0.1803 | (\$0.1451) | \$0.0622 | \$0.0543 | \$3.8777 |
| Unmetered Gas Light (1) | \$3.7260 | \$0.1803 | (\$0.1451) | \$0.0622 | \$0.0543 | \$3.8777 |
| Large Volume Sales (3) | \$3.7260 | \$0.1803 | \$0.0000 | \$0.0622 | \$0.0543 | \$4.0228 |
| 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: January 15, 1998
month day year

DATE EFFECTIVE: February 1, 1998
month day year

ISSUED BY: Charles B. Hernandez

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