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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 26th
day of April, 1996.

In the Matter of Gas Service, a Western)
Resources Company, Tariff Sheets Reflecting)
PGA Changes to be Reviewed in the Company's)
1993-1994 Actual Cost Adjustment.)
Case No. GR-94-101

In the Matter of Missouri Gas Energy's)
Tariff Sheets Reflecting PGA Changes to be)
Reviewed in the Company's 1993-1994 Actual)
Cost Adjustment.)
Case No. GR-94-228

ORDER REGARDING APPLICATION FOR REHEARING

On March 4, 1996, the Staff of the Commission (Staff) filed a motion to limit the issues in this matter. The Commission granted the motion and issued its order limiting issues and denying a motion to compel on March 29, 1996. On April 5, 1996, Western Resources, Inc. (WRI) filed an application for rehearing, followed on April 10, 1996, by another application for rehearing filed by Missouri Gas Energy (MGE).

Both parties seek clarification as to whether evidence comparing various contracts to determine the prudence of the contract in issue in this case is appropriate evidence for this litigation. The moving parties are apparently confused as to the Commission's intent in its order, resulting particularly from the phrase "the Commission made no finding of prudence as to the WTS contracts and those contracts should not, therefore, be used as a benchmark."

The Commission will grant a portion of the Applicants' motion and clarify the order of March 29, 1996, to reflect that the parties in this litigation, within the bounds of relevance, are not precluded from presenting evidence or testimony comparing the terms of various contracts

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for the purpose of determining the prudence of the contractual arrangements which are the subject of this litigation. However, the Commission will restate that it made no finding in Case No. GA-93-140, *In the Matter of the Tariffs Filed by Gas Service, a Western Resources Company*, as to the prudence of the WTS contracts.

In addition, both parties complain that the Commission's order of March 29, 1996, was effective on the date thereof, as opposed to allowing a 10-day interval. The moving parties allege they have, as a result, been denied their constitutional due process rights.

The Commission is of the opinion that, in an administrative hearing, only final reports and orders, resolving all issues between parties, require an extended effective date of 10 days. This has consistently been the Commission's practice and is the current status of the law in this state. That portion of the parties' motion involving the effective date of the Commission's order is denied.

IT IS THEREFORE ORDERED:

1. That the applications for rehearing, filed April 5, 1996, by Western Resources, Inc., and April 10, 1996, by Missouri Gas Energy are granted to the extent set out in the body of this Report and Order, and the Commission's order of March 29, 1996, is hereby clarified as also set out above.

2. That the remainder of the parties' applications, involving the effective date of the Commission's order of March 29, 1996, are denied, as the Commission finds that no denial of due process has occurred.

3. That this order shall become effective on the date hereof.

BY THE COMMISSION

A handwritten signature in cursive script, reading "David L. Rauch".

David L. Rauch
Executive Secretary

(S E A L)

Zobrist, Chm., McClure, Kincheloe,
Crumpton, and Drainer, CC., Concur.