

ROBERT J. HACK Vice President, Pricing & Regulatory Affairs

November 4, 2003

Mr. Dale Hardy Roberts Secretary and Chief Regulatory Law Judge Missouri Public Service Commission P.O. Box 360 200 Madison Street Jefferson City, MO 65102-0360

#### VIA MoPSC EFIS ELECTRONIC FILING

Dear Mr. Roberts:

Enclosed for filing with the Missouri Public Service Commission ("Commission") on behalf of Missouri Gas Energy ("MGE" or "Company"), a division of Southern Union Company ("Southern Union"), please find in electronic format revised tariff sheets. Each of the revised sheets listed below bears an issue date of November 4, 2003 and a proposed effective date of December 4, 2003:

#### Sheet

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<u>No.</u>	Schedule	Designated	<u>Canceling</u>
12	Environmental Response Fund	First Revised	Original
25	Residential Gas Service	Sixth Revised	Fifth Revised
28	Small General Service	Sixth Revised	Fifth Revised
31	Large General Service	Sixth Revised	Fifth Revised
42	Large Volume Service	Sixth Revised	Fifth Revised
76	Whiteman Air Force Base	Sixth Revised	Fifth Revised
77	Whiteman Air Force Base	Fifth Revised	Fourth Revised
83	Intrastate Transportation Service	Second Revised	First Revised
94	Interim Gas Service for Compression	on	
	of Natural Gas for use as a Fuel in		
	Vehicular Combustion Engines	Sixth Revised	Fifth Revised
R-14	General Terms and Conditions		
	for Gas Service	Fourth Revised	Third Revised
<b>R-</b> 87	General Terms and Conditions		
	for Gas service	Third Revised	Second Revised

The revised tariff sheets are designed to implement a general rate increase for natural gas service provide by MGE in the amount of \$44,875,635, or 9.8%, based upon MGE's total test year recorded revenue, excluding gross receipts and sales taxes. The proposed changes are necessary to recover through rates gas safety program expenditures

November 4, 2003 Mr. Dale Hardy Roberts Page 2

required by 4 CSR 240-40.030 and related expenses, facilities relocation expenditures, costs of other new facilities and capital expenditures, operating expense increases since rates were last changed, as well as state and federal income tax increases associated with the proposed increased revenue levels. In addition, existing rates have proven insufficient to permit MGE to achieve its authorized rate of return. Rates were last increased in August 2001.

Also provided in electronic format herein is the information required by 4 CSR 240-3.030(3)(B) and the direct testimony of the following witnesses: James Oglesby; Michael R. Noack, Carlton A. Ricketts; John C. Dunn; F. Jay Cummings; and John M. Quain.

Two (2) copies of this filing are being furnished to the Office of Public Counsel.

Please bring this filing to the attention of the Commission and the appropriate Commission personnel. In addition, please forward copies of any Commission orders, notices, correspondence, or other material regarding this filing to:

Robert J. Hack Vice President, Pricing and Regulatory Affairs Missouri Gas Energy 3420 Broadway Kansas City, Missouri 64111 816-360-5755 Fax: 816-360-5554 E-mail : rhack@mgemail.com James C. Swearengen Brydon, Swearengen & England P.O. Box 456 312 East Capitol Avenue Jefferson City, MO 65101 573-635-7166 Fax: 512-634-0427 E-mail: lrackers@brydonlaw.com

Thank you for your attention to this matter.

Sincerely yours, Robert J.A.A.

CC: The Office of Public Counsel General Counsel's Office James C. Swearengen

# Statement of Revenue Increase Request

## 4 CSR 240-3.030(3)(B) 1

The aggregate annual increase resulting from the application of the revised tariffs contained in this filing would be \$44,875,635, or 9.8%, over the test year recorded annual revenues.

## 4 CSR240-3.030(3)(B) 2

Missouri Counties and Communities Affected

Urban Areas Alba Armstrong Avondale Belton Blue Springs Camden Point Carrollton Cassville Claycomo Concordia

Dearborn Duenweg El Dorado Springs Exeter Freeman

Gladstone Goodman Grandview Greenwood Holden Houston Lake Irwin Joplin Kingsville Lakeside Lake Winnebago LaMonte

Lawson Lockwood Monett

Mt. Vernon New Market Norborne North Noel Oak View Ash Grove Baldwin Park Billings Buckner Cameron Carterville Centerview Cleveland Corder

Alma

Diamond East Lynne Emma Fayette Freistatt

Glenaire Gower Grayson Harrisonville Holt

Hugesville Jasper Kansas City Knob Noster Lake Tapawingo

Lamar Lanagan Lee's Summit Lone Jack Mosby

Neck City Nixa North Kansas City Oak Grove Oakwood Anderson Aurora Bates City Blackburn Butterfield

- Carl Junction Carthage Clarksburg Clever Crane
- Drexel Edgerton Excelsior Springs Fort Crowder Garden City

Golden City Grain Valley Greenfield Higginsville Houstonia

Independence Jerico Springs Kearney Lake Lotawana Lake Waukomis

Lamar Heights Lathrop Liberty Marionville Mt. Leonard

Neosho Noel Northmoor Oaks Oakwood Manor

#### 4 CSR240-3.030(3)(B)2

#### Missouri Counties and Communities Affected

#### Urban Areas - continued

Oakwood Park Ozark Pierce City Platte Woods Prathersville

Purdy Raytown Riverside Sarcoxie Sheldon

Smithville Stewartsville Sugar Creek Trimble Walnut Grove

Weatherby Lake Willard

#### Rural & Suburban Areas

Andrew County Barton County Cass County Clay County Dade County

Henry County Jasper County Lawrence County Newton County Ray County

Vernon County

Odessa Parkville Pilot Grove Pleasant Hill Prosperity

Randolph Redings Mills Saginaw Savannah Slater

Southwest City Stockton Sweet Springs Turney Warrensburg

Webb City Windsor Osborn Peculiar Pineville Pleasant Valley Purcell

Raymore Republic St. Joseph Seneca Smithfield

Spring Valley Stone's Corner Tipton Verona Waverly

Wentworth Woods Heights

Buchanan County Cedar County Clinton County DeKalb County

Howard County Johnson County McDonald County Pettis County Saline County Barry County Carroll County Christian County Cooper County Greene County

Jackson County Lafayette County Moniteau County Platte County Stone County

# 4CSR 240-3.030(3)(b) 3 and 4

# Number of Customers Affected and Average Change by Service Category

	Number of <u>Customers (1)</u>	<u>Average Mor</u> <u>Amount</u>	nthly Bill Change Percentage
Residential	444,802	\$ 6.52	8.88% (2)
Small General Service	52,752	7.65	3.78% (2)
Large General Service	395	(4.58)	(0.13)% (2)
Large Volume (billable meters)	473	310.98	16.04%

- (1) Test year ended June 30, 2003 prorated regular and final bills, as adjusted, divided by twelve.
- (2) Based on current PGA rate of \$ 0.75056 per Ccf.

# 4 CSR 240-3.030(3)(B) 5

# Proposed Annual Aggregate Change in Revenues

		\$ Increase or (Decrease)	% Increase <u>or (Decrease)</u>
Residential		\$ 34,843,180	11.00% (1)
Small General Service		8,550,228	7.80% (1)
Large General Service		0	% (1)
Large Volume Service	an a	1,482,228	13.52%

(1) Based on average test year PGA rate applied to as adjusted volumes for the test year and as adjusted cost of service revenue for the test year.

4 CSR 240-3.030(3)(B) 6

Press Release



# News Release

# MGE seeks to adjust rates, bring stability to customer bills

KANSAS CITY, MO (November 4, 2003) – Missouri Gas Energy (MGE), a division of Southern Union Company (NYSE: SUG), today filed a proposal with the Missouri Public Service Commission (MPSC) to increase base rates and to reduce the volatility of customer bills caused by dramatic changes in winter conditions. If approved, the proposal will help stabilize bills for the Company's approximately 500,000 customers and will help the Company recover both expenses associated with operating and maintaining its 8,000 mile distribution system as well as costs related to substantial capital expenditures for safety projects, public improvement relocations and new construction.

Since its last base rate increase, which was approved in 2001, MGE has expended nearly \$55 million on a variety of capital projects, including the MPSC-ordered Safety Line Replacement Program, line relocations ordered by municipalities and other political subdivisions and new construction due to growth in the Company's service territory.

Robert J. Hack, Vice President of Pricing and Regulatory Affairs, says that MGE has continued to devote substantial amounts of capital to serving its customers. "We have expended approximately \$380 million on new gas service facilities since February 1994, including continuation of the Safety Line Replacement program pursuant to which more than 230,000 service lines and about 300 miles of cast iron mains have been replaced since 1990. Nearly \$55 million of this capital has been used to install new facilities since base rates were last set. MGE customers are receiving the benefits of these expenditures, but our current rates do not reflect these higher costs. Unfortunately, current rates have proven insufficient to permit MGE to achieve its authorized rate of return."

The proposed rate structure would help stabilize bills for customers by significantly reducing the impact of weather-related fluctuations during the winter and by reducing the difference between summer and winter bills. The proposed rates would generate \$44.8 million in additional annual revenues, or approximately 9.8 percent, with a proposed increase for residential customers of about \$6.50 a month.

The MPSC may take up to 11 months to issue a ruling on the proposal, therefore new rates would not go into effect until late in the summer of 2004, at the earliest. The proposal is not related to "cost of gas" charges and will not affect prices this winter.

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Missouri Gas Energy is headquartered in Kansas City, Missouri, and distributes natural gas to approximately 500,000 customers in 155 towns in central and western Missouri. MGE is a division of Southern Union Company, an energy distribution company serving approximately 1 million natural gas customers in Missouri, Pennsylvania, Rhode Island and Massachusetts. Southern Union's Panhandle Energy subsidiary corporation owns and operates about 10,000 miles of interstate natural gas pipeline.

## 4 CSR 240-3.030(3)(B) 7

# Summary of Reasons for Requested Increase

The proposed change is necessary to recover through rates gas safety program investment required by 4 CSR 240-040.030 and related expenses, costs of other new facilities, and operating expense increases since rates were last changed. In addition, existing rates have proven insufficient to permit MGE to achieve its authorized rate of return. Rates were last increased in August 2001.

P.S.C. MO. No. <u>1</u> Canceling P.S.C. MO. No. 1

First Revised Original SHEET No. <u>12</u> SHEET No. 12

Missouri Gas Energy, <u>a Division of Southern Union Company</u>

ISSUED BY Robert J. Hack

For: All Missouri Service Areas

Vice President, Pricing and Regulatory Affairs

Missouri Gas Energy Kansas City, MO. 64111

ENVIRONMENTAL RESPONSE FUND
Pursuant to the terms of the Commission's order in Case No. GR-2004, an Environmental Response Fund shall be established to create a mechanism to fund the recovery of "Environmental Response Costs" as defined below.
(a) Definition of "Environmental Response Costs". "Environmental Response Costs" are all the reasonable and prudently incurred costs associated with evaluation, remedial and clean-up obligations of Missouri Gas Energy arising out of utility-related ownership and/or operation of manufactured gas plants and sites associated with the operation and disposal activities from such gas plants. In addition to the actual remedial and clean-up costs, "Environmental Response Costs" also include costs of acquiring property associated with the clean up of such sites as well as litigation costs, claims, judgments, expenditures made in efforts to obtain insurance reimbursements, and settlements—including the costs of obtaining such settlements—associated with such sites. The Company will use best efforts to satisfy its obligation to minimize the Environmental Response Costs charged to the fund consistent with applicable regulatory requirements and sound environmental policies and to minimize litigation costs that may arise. Fifty percent (50%) of any applicable insurance proceeds and/or contributions obtained from Westar Energy (the successor of Western Resources, Inc.) and/or contributions obtained from potentially responsible parties, net of costs associated with obtaining such proceeds and/or contributions obtained from the accrued liability in the amount of \$3,000,000 recorded on Southern Union Company's books following the acquisition of the Missouri property (which was to become Missouri Gas Energy) from Western Resources, Inc.
(b) <u>Funding</u> . The fund shall be maintained in an interest bearing trust account and shall be credited at the annual target amount of approximately \$750,000 (the current amount reflected in rates for such costs). The actual amount of the credit shall be based on the actual billed revenues produced by the discrete rate element included in the per-unit delivery charge of all customer classes. Any cash expenditures shall be charged to the fund as long as the costs that are incurred or previously deferred are Environmental Response Costs, as defined above.
(c) <u>Annual Reports.</u> Missouri Gas Energy shall file an annual report with the Commission (and serve the Parties with copies) on a Highly Confidential basis providing a summary and accounting of all costs incurred during such year which have been applied to the fund. A separate account shall be maintained on the Company's books for accruals and expenditures for environmental response costs. Each of the Parties retain their right to review and challenge any costs that they believe do not fall within the definition of "Environmental Response Costs", as defined in subparagraph (a) above.
(d) <u>Reservation of Rights.</u> In the Company's next general rate case to establish rates after the approval of this fund, all parties reserve their rights to take any position they deem appropriate regarding (i) the level of funding to be permitted in rates on a prospective basis to recover costs charged to the fund as of the date of such case, and/or (ii) whether the fund should continue as designed for the recovery of prospective costs.
DATE OF ISSUENovember 42003 monthDATE EFFECTIVEDecember 42003 monthmonthdayyearmonthdayyear

Sixth Revised Fifth Revised SHEET No. <u>25</u> SHEET No. <u>25</u>

Missouri Gas Energy, a Division of Southern Union Company

For: All Missouri Service Areas

RESIDENTIAL	GAS	SERVICE			
RS					

#### **AVAILABLE**

At points on the Company's existing distribution facilities located in the communities specified in the Index.

#### **APPLICABLE**

To natural gas service supplied at one point of delivery to residential customers for domestic use for nonbusiness, noncommercial or nonindustrial purposes. Such domestic use shall include space heating, water heating, cooking, air conditioning, and other household uses.

Service hereunder is not available to locations served through a master meter.

#### NET MONTHLY BILL

<u>Rate</u>

Fixed Customer Charge:

For all Ccf used in excess of 68 Ccf

\$13.55 per month

Per-Unit Delivery Charge - per Ccf:

	Summer –	Winter –
	Billing months of	Billing months of
	May – October	November – April
For the first 68 Ccf used per month	\$0.15525*	\$0.32599*

\$0.00000

\*includes \$0.00092 for Environmental Response Fund per Sheet No. 12

 DATE OF ISSUE
 November
 04,
 2003
 DATE EFFECTIVE
 December
 04,
 2003

 Month
 day
 year
 DATE EFFECTIVE
 December
 04,
 2003

 ISSUED BY:
 Robert J. Hack
 Vice President, Pricing and Regulatory Affairs

 Missouri Gas Energy,
 Kansas City, MO.
 64111

\$0.15525\*

## Sixth Revised Fifth Revised

SHEET No. <u>28</u> SHEET No. <u>28</u>

Missouri Gas Energy, <u>a Division of Southern Union Company</u>

For: All Missouri Service Areas

SMALL	<u>GENERAL GAS SEF</u> <u>SGS</u>	RVICE	
NET MONTHLY BILL			
Rate			
Fixed Customer Charge	:		
\$18.30 per month			
Per-Unit Delivery Charg	e - per Ccf:		
	Summer – Billing months of May – October	Winter – Billing months of November – April	
For the first 600 Ccf used per month For all Ccf used in excess of 600 Co		\$0.27698* \$0.00000	
*includes \$0.00092 for Environment	tal Response Fund p	er Sheet No. 12	
<u>Minimum</u>			
The higher of the a adjustments and surch contained in Section 7.0	narges, but subject	to the Company's pro	pration rule
DATE OF ISSUE <u>November 04, 20</u> month day ye	003 DATE EFI ear	ECTIVE <u>December</u> month	04, 2003 day year

Sixth Revised Fifth Revised SHEET No. <u>31</u> SHEET No. <u>31</u>

#### Missouri Gas Energy, a Division of Southern Union Company

For: All Missouri Service Areas

#### LARGE GENERAL GAS SERVICE LGS

#### NET MONTHLY BILL

<u>Rate</u>

Fixed Customer Charge:

\$112.40 per month

Per-Unit Delivery Charge - per Ccf:

\$0.09916\* per Ccf for all gas delivered during the billing months of November through April.

\$0.05129\* per Ccf for all gas delivered during the billing months of May through October.

\*includes \$0.00092 for Environmental Response Fund per Sheet No. 12

#### Minimum

The higher of the above rate for zero consumption plus applicable adjustments and surcharges, but subject to the Company's proration rule contained in Section 7.02 of the Company's General Terms and Conditions.

Adjustments and Surcharges

The rates and minimum charges hereunder are subject to adjustments as provided in the following schedules:

- 1. Purchased Gas Cost Adjustment (PGA).
- 2. Tax Adjustment (TA).

DATE OF ISSUE	November 04, 2	<u>2003</u>	DATE EFFECTIVE	December	04,	2003
	month day	year		month	day	year
ISSUED BY:	Robert J. Hack		Vice President, Pric	ing and Rec	gulatory A	Affairs
			Missouri Gas Energy	y, Kansas C	City, MO.	64111

Sixth Revised Fifth Revised

Missouri Gas Energy,

a Division of Southern Union Company

For: All Missouri Service Areas

# LARGE VOLUME SERVICE

#### NET MONTHLY BILL

The bill for each billing period shall be the sum of the Customer Charge, the Transportation Charge, the Contract Demand Charge, and the EGM Charge. Service hereunder is subject to the Purchased Gas Cost Adjustment (PGA) schedule, the Tax Adjustment (TA) schedule and other provisions as hereinafter described.

<u>Rate</u>

Fixed Customer Charge: \$614.00 per month

Per-Unit Delivery Charge - per Ccf:

For all gas delivered during the billing months of November through April:

\$ 0.04576\* per Ccf for the first 30,000 Ccf transported, plus \$ 0.03615\* per Ccf for all additional gas transported.

For all gas delivered during the billing months of May through October:

\$ 0.02934\* per Ccf for the first 30,000 Ccf transported, plus \$ 0.01973\* per Ccf for all additional gas transported.

\*includes \$0.00092 for Environmental Response Fund per Sheet No. 12

Contract Demand Charge: The Contract Demand rate as set forth in the Purchased Gas Adjustment schedule Sheet 24.7.

Maximum Transportation Charge: The transportation charge as stated above.

Minimum Transportation Charge: The higher of the above rate for zero consumption plus applicable adjustments and surcharges, or the minimum as set forth by contract, but subject to the Company's proration rule contained in Section 7.02 of the Company's General Terms and Conditions. In no event may the minimum transportation charge be below an amount equivalent to:

Fixed Customer charge plus \$0.0005 per Ccf.

DATE OF ISSUE <u>November 04, 2003</u> month day year DATE EFFECTIVE <u>December 04, 2003</u> month day year

ISSUED BY: Robert J. Hack

Vice President, Pricing and Regulatory Affairs Missouri Gas Energy, Kansas City, MO. 64111

Sixth Revised Fifth Revised SHEET No. <u>76</u> SHEET No. <u>76</u>

Missouri Gas Energy, <u>a Division of Southern Union Company</u>

For: All Missouri Service Areas

#### WHITEMAN AIR FORCE BASE

#### **APPLICABLE**

This rate schedule is applicable to all natural gas sales and transportation requirements of Whiteman Air Force Base (customer) except customer's natural gas requirements for armed forces housing. Requirements for armed forces housing will continue to be provided under Company's tariff for such service or such replacement tariff as may be authorized by the Commission.

#### NET MONTHLY BILL

Rate

Fixed Customer Charge: \$614.00 per month

Transportation Charge:

For all gas delivered during the billing months of November through April:

\$0.04576\* per Ccf for the first 30,000 Ccf transported, plus \$0.03615\* per Ccf for all additional gas transported.

For all gas delivered during the billing months of May through October:

\$0.02934\* per Ccf for the first 30,000 Ccf transported, plus \$0.01973\* per Ccf for all additional gas transported.

This charge is applicable to all gas transported necessary to satisfy customer's annual sales and transportation requirement of up to 2,000,000 Ccf, plus

\$0.03198\* per Ccf during the period November through March for all gas transported necessary to satisfy customer's annual sales and transportation requirement of more than 2,000,000 Ccf but less than 3,000,000 Ccf, plus

\*includes \$0.00092 for Environmental Response Fund per Sheet No. 12

DATE OF ISSU	E <u>November 04, 2003</u> month day year	DATE EFFECTIVE	<u>Decembe</u> month	<u>r 04,</u> day	<u>2003</u> year
ISSUED BY:	Robert J. Hack	<u>Vice President, P</u> Missouri Gas Energ			

#### Fifth Revised Fourth Revised

SHEET No. 77 SHEET No. 77

Missouri Gas Energy, Kansas City, MO. 64111

Missouri Gas Energy, a Division of Southern Union Company

For: All Missouri Service Areas

#### WHITEMAN AIR FORCE BASE

- \$0.01302\* per Ccf for all gas transported necessary to satisfy customer's annual sales and transportation requirement of more than 3,000,000 Ccf but less than 5,000,000 Ccf, plus
- \$0.03198\* per Ccf for all additional gas transported.

\*includes \$0.00092 for Environmental Response Fund per Sheet No. 12

#### Minimum

The higher of the above rate for zero consumption plus applicable adjustments and surcharges, or the minimum as set forth by contract. but subject to the Company's proration rule contained in Section 7.02 of the Company's General Terms and Conditions.

#### Adjustments and Surcharges

The rates hereunder are subject to adjustments as provided in the following schedules:

- 1. Purchase Gas Cost Adjustment (PGA).
- 2. Tax Adjustment (TA).

#### **Demand Charges**

Customer shall be required to specify a level of maximum daily requirements (hereinafter referred to as the "Contract Demand level"). To the extent specified by the customer and in accordance with the provisions of this rate schedule, the Company will supply natural gas up to and including the Contract Demand level with purchases the Company makes from its suppliers.

DATE OF ISSUE November month	<u>r 04, 2003</u> day year	DATE EFFECTIVE	<u>December 04,</u> month day	<u>2003</u> year
ISSUED BY: Robert J. H	ack	Vice President, Pr	icing and Regulate	ory Affairs

Second Revised First Revised SHEET No. <u>83</u> SHEET No. <u>83</u>

Missouri Gas Energy, <u>a Division of Southern Union Company</u>

#### For: All Missouri Service Areas

INTRASTATE TRANSPORTATION SERVICE
ITS

#### AVAILABLE:

At points on the Company's existing gas distribution system. However, service under this schedule ITS shall be limited only to those customers who have executed a transportation contract prior to October 15, 1993.

#### APPLICABLE:

To natural gas transportation service supplied at one point of delivery for resale outside of the Company's certificated area to municipal gas systems.

Upon election by the customer and acceptance by the Company, customer will furnish Company all supply contracts verifying the adequacy of all customer peak day and annual Ccf volume requirements. The customer also agrees to utilize firm transportation service for delivery of gas quantities to the Company.

#### NET MONTHLY BILL:

<u>Rate</u>:

Fixed Customer Charge:

\$614.00 per month

Transportation Charge:

The charges to be billed for this service shall be agreed to in advance by the Company and the customer and shall be set forth in a separate contract approved by this Commission.

DATE OF ISSL	IE <u>November 04, 2003</u> month day year	DATE EFFECTIVE	<u>December 0</u> month d	9 <u>4, 2003</u> ay year
ISSUED BY:	Robert J. Hack	Vice President, F Missouri Gas Energ		

Sixth Revised Fifth Revised SHEET No. <u>94</u> SHEET No. <u>94</u>

Missouri Gas Energy, <u>a Division of Southern Union Company</u>

For: All Missouri Service Areas

INTERIM GAS SERVICE FOR COMPRESSION OF NATURAL GAS				
FOR USE AS A FUEL IN VEHICULAR COMBUSTION ENGINES				
	CNG			
NET MONTHLY BILL				
Rate				
Fixed Customer Charge: \$18.30 per month				
Per-Unit Sales or Transportati	on Charge – per Cc	f:		
	Summer –	Winter –		
	Billing months of	Billing months of		
	May – October	November – April		
For the first 600 Ccf used per month		\$0.27698*		
For all Ccf used in excess of 600 Ccf \$0.12398* \$0.00000 *includes \$0.00092 for Environmental Response Fund per Sheet No. 12				
The Company may from time to time, upon approval of the Commission, reduce the above transportation charges by any amount. Such reductions will only be permitted if they are necessary to retain or expand services to an existing customer, to re-establish service to a previous customer or to serve new customers.				
<u>Minimum</u>				
The higher of the above rate for zero consumption plus applicable adjustments and surcharges, or the minimum as set forth by contract, but subject to the Company's proration rule contained in Section 7.02 of the Company's General Terms and Conditions.				
DATE OF ISSUE November 04, 200 month day year		ECTIVE <u>December</u> month	e <u>r 04, 2003</u> day year	
ISSUED BY: Robert J. Hack	Vice Pres	sident, Pricing and R	egulatoryAffairs	

Missouri Gas Energy, Kansas City, MO. 64111

P.S.C. MO. No. <u>1</u> Canceling P.S.C. MO. No. <u>1</u> Fourth Revised Third Revised

Missouri Gas Energy, a Division of Southern Union Company For: All Missouri Service Areas Name of Issuing Corporation Community, Town or City GENERAL TERMS AND CONDITIONS FOR GAS SERVICE (D) Discrimination: No deposit shall be required by Company because of a customer's race, sex, creed, national, origin, marital status, age, number of dependents, source of income, or geographical area of residence. (E) Deposit - Terms and Conditions: A security deposit required pursuant to these General Terms and Conditions for Gas Service is subject to the following terms and conditions: (1) Deposit - Amount: A deposit shall not exceed two (2) times the highest bill for utility charges actually incurred or estimated to be incurred by the customer during the most proximate twelve (12)-month period at the service location or, in the case of a new customer, who is assessed a deposit under subsection (A) (3) of this rule, one sixth (1/6) of the estimated annual bill. For all commercial and industrial customers, the amount of the deposit, surety bond or irrevocable letter of credit shall not exceed an estimated bill covering one billing period plus 30 days. (2) Interest on Deposit: Interest at per annum rate equal to the prime bank lending rate as listed in the Wall Street Journal on the last business day of the preceding calendar year, plus one percentage point, compounded annually, shall be payable on all deposits, except as provided in 4 CSR 240.10.040(4). For commercial and industrial customers (as provided in 4 CSR 240.10.040(4)) interest at 3% per annum shall be payable on cash deposits, provided the company keeps the cash deposit in a separate and distinct trust fund and deposited as such in some bank or trust company and not used by the company in the conduct of its business. Interest shall be either credited to the service account of customer on an annual basis during one complete billing cycle or paid upon the return of the deposit, whichever occurs first. Interest shall not accrue on any cash deposit after the Company has made a reasonable effort to return the deposit. The Company shall keep in its records evidence of its efforts to return the deposit to the customer. DATE OF ISSUE November 04,\_ 2003 DATE EFFECTIVE December 04. 2003 month day year month day year

ISSUED BY Robert J. Hack

Vice President, Rates and Regulatory Affairs Missouri Gas Energy Kansas City, MO. 64111

#### Third Revised Second Revised

SHEET No. R-87 SHEET No. R-87

Missouri Gas Energy, <u>a Division of Southern Union Company</u>

# For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE				
14. OTHER CHARGES				
14.0 SCHEDULE OF OTHER CHARGI	ES:			
Description of Charge	Section Ref.	<u>Amount</u>		
Collection or disconnection	3.11	\$ 8.00		
Connection charge	3.03	\$45.00		
Transfer charge	3.03	\$ 6.50		
Reconnection charge:				
Failure to furnish deposit	2.05	\$45.00		
At customer's request	3.12	\$45.00		
Reselling or redistributing gas	4.09	\$45.00		
Fraudulent or unauthorized use of gas	4.10	\$45.00		
Meter removal and reinstallation at Customer's request	on 5.02	\$45.00		
Failure to provide access for meter reading	5.05	\$45.00		
Tampering with Company prop	berty 4.05 & 4.08	\$45.00		
Cut off at curb (unpaved) Disconnection & reconnection	4.10	\$425.00		
Cut off at main (paved) Disconnection & reconnection	4.10	\$425.00		
DATE OF ISSUE <u>November 04, 2003</u> month day year	DATE EFFECTIVE Decen month			
ISSUED BY: Robert J. Hack	<u>Vice President, Pricing and</u> Missouri Gas Energy, Kans			

Missouri Gas Energy, Kansas City, MO. 64111