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November 7, 2000

Mr. Dale Hardy Roberts
Executive Secretary
Public Service Commission
Governor State Office Building
Jefferson City, Missouri

HAND DELIVERED

RE: Missouri Gas Energy; Tariff filing for general rate increase

FILED
~~RECEIVED~~
NOV 07 2000
Records
Public Service Commission

GR-2001-292

Dear Mr. Roberts:

Enclosed for filing with the Commission please find the following:

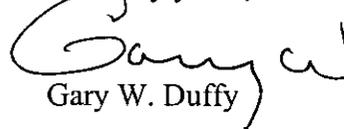
1. In compliance with 4 CSR 240-10.070(3) an original and eight (8) copies of a transmittal letter from Steve Catron which accompanies proposed revised tariff sheets effectuating a general rate increase. The cover letter also has attached to it the material required by 4 CSR 240-10.070(3)(B).
2. In compliance with 4 CSR 240-2.065(1), an original and eight (8) copies of the prepared direct testimony of the following witnesses for MGE: Steven W. Catron, Karen M. Czaplewski, John C. Dunn, Michael R. Noack, and F. Jay Cummings.

As explained in Mr. Catron's letter, the proposed revised tariff sheets bear an issue date of November 7, 2000 and an effective date of December 7, 2000. The amount of the increase sought is \$39,383,803 or 11.56%, excluding gross receipts or sales taxes.

Three copies of this material are being hand delivered this date to the Office of the Public Counsel and two copies to the Office of the General Counsel.

If you have any questions, please let me know.

Sincerely yours,


Gary W. Duffy

Enclosures

cc: Office of Public Counsel
Office of the General Counsel

200100529



MISSOURI GAS ENERGY

3420 Broadway • Kansas City, MO • 64111-2404 • (816) 360-5501

STEVEN W. CATTRON
PRESIDENT & CHIEF OPERATING OFFICER

November 7, 2000

RECEIVED³
NOV 07 2000
Records
Public Service Commission

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

FILED²
NOV 07 2000
Missouri Public
Service Commission
GR-2001-292

Dear Mr. Roberts:

Enclosed for filing with the Missouri Public Service Commission ("Commission") are an original and three (3) copies of revised tariff sheets for Missouri Gas Energy ("MGE" or "Company"), a division of Southern Union Company ("Southern Union"). Each of the revised sheets listed below bears an issue date of November 7, 2000 and a proposed effective date of December 7, 2000:

Sheet No.	Schedule	Designated	Canceling
12	Customer Service Effectiveness / Gas Safety Program Experimental Incentive Plan CSE/GSIP	First Revised	Original
12.1	Customer Service Effectiveness / Gas Safety Program Experimental Incentive Plan CSE/GSIP	Original	
12.2	Customer Service Effectiveness / Gas Safety Program Experimental Incentive Plan CSE/GSIP	Original	
24.7	Blank	Seventeenth Revised	Sixteenth Revised
25	Residential Gas Service	Fifth Revised	Fourth Revised
26	Residential Gas Service	Second Revised	First Revised
28	Small General Service	Fifth Revised	Fourth Revised
29	Small General Service	Second Revised	First Revised
31	Large General Service	Fifth Revised	Fourth Revised
38	Unmetered Gaslight Service	Third Revised	Second Revised
40	Large Volume Service	Second Revised	First Revised
42	Large Volume Service	Fifth Revised	Fourth Revised

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200100529

November 7, 2000
Mr. Dale Hardy Roberts
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Sheet

<u>No.</u>	<u>Schedule</u>	<u>Designated</u>	<u>Canceling</u>
76	Whiteman Air Force Base	Fifth Revised	Fourth Revised
77	Whiteman Air Force Base	Fourth Revised	Third Revised
83	Intrastate Transportation Service	Second Revised	First Revised
94	Interim Gas Service for Compression of Natural Gas for use as a Fuel in Vehicular Combustion Engines	Fifth Revised	Fourth Revised
95	Interim Gas Service for Compression of Natural Gas for use as a Fuel in Vehicular Combustion Engines	Third Revised	Second Revised
R-2	General Terms and Conditions for Gas Service	Third Revised	Second Revised
R-4	General Terms and Conditions for Gas Service	Third Revised	Second Revised
R-20	General Terms and Conditions for Gas Service	First Revised	Original
R-21	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-22	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-23	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-24	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-27	General Terms and Conditions for Gas Service	First Revised	Original
R-28	General Terms and Conditions for Gas Service	First Revised	Original
R-29	General Terms and Conditions for Gas Service	First Revised	Original
R-30	General Terms and Conditions for Gas Service	First Revised	Original
R-31	General Terms and Conditions for Gas Service	First Revised	Original
R-32	General Terms and Conditions for Gas Service	First Revised	Original
R-33	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-33.2	General Terms and Conditions for Gas Service	First Revised	Original

November 7, 2000
Mr. Dale Hardy Roberts
Page 3

<u>Sheet</u> <u>No.</u>	<u>Schedule</u>	<u>Designated</u>	<u>Canceling</u>
R-33.3	General Terms and Conditions for Gas Service	First Revised	Original
R-34	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-52	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-53	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-87	General Terms and Conditions for Gas Service	Second Revised	First Revised
R-88	General Terms and Conditions for Gas Service	First Revised	Original

The revised tariff sheets are designed to produce an increase of \$39,383,803, or 11.56%, based upon MGE's total test year recorded revenue, excluding gross receipts and sales taxes. The proposed change is necessary to recover through rates gas safety program investment required by 4 CSR 240-40.030 and related expenses, costs of other new facilities, and operating expense increases since rates were last changed. Rates were last increased in September 1998.

Also enclosed are an original and eight (8) copies of the information required by 4 CSR 240-10.070(3)(B) and an original and eight (8) copies of direct testimony.

Three (3) copies of this filing are being furnished today 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:

November 7, 2000
Mr. Dale Hardy Roberts
Page 4

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 : rob.hack@
southernunionco.com

F. Jay Cummings
Vice President, Pricing
Southern Union Company
504 Lavaca
Austin, Texas 78701
512-370-8353
Fax: 512-370-8440
E-mail: jay.cummings@
southernunionco.com

Gary W. Duffy
Brydon, Swearingen & England
P.O. Box 456
312 E. Capitol Ave.
Jefferson City, Missouri 65101
573-635-7166
Fax: 573-635-3847

Thank you for your attention to this matter.

Sincerely yours,



CC: The Office of Public Counsel
F. Jay Cummings
Gary W. Duffy
Robert J. Hack

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

Customer Service Effectiveness/Gas Safety Program Experimental Incentive Plan
CSE/GSIP

APPLICABLE

The CSE/GSIP provides for rate recognition for MGE's ongoing investment in natural gas line repair and replacement pursuant to 4 CSR 240-40.030 by adjusting rates under Schedules RS, SGS, LGS, and LVS on an annual basis without the requirement of a general rate case, contingent upon MGE achieving customer service effectiveness measures as described below. The CSE/GSIP shall be effective for a three-year period, commencing with a rider filing effective on July 1, 2002 and ending with rider filing effective on July 1, 2004.

CSE/GSIP FILINGS

CSE/GSIP filings effective on July 1 of each year shall be based on gas safety projects completed by March 31 of that year. For the first rider filing, the filing shall be based on projects completed between the cutoff date for projects included in rates in MGE's 2000 rate case and March 31, 2002. This cutoff date shall be the date reflected in Commission's rate case order or in settlement of the rate case. Rate changes for a given year's rider filing shall be contingent upon MGE achieving the customer service effectiveness measures as described below for the prior calendar year.

CALCULATION OF ANNUAL REVENUE RECOVERY

The dollar amount of potential annual revenue recovery is the sum of the annual return (grossed up for income taxes) on safety projects completed during the period and the associated annualized depreciation expense and ad valorem taxes (less a return offset due to a one year reduction in the unamortized safety deferral balance established in MGE's 2000 rate case if the Commission includes the deferral balance in MGE's rate base in this case).¹ The return used in the calculation of the potential annual revenue recovery shall be the cost of capital as determined by the Commission's rate case order or in settlement of MGE's 2000 rate case. Actual annual revenue recovery shall be an amount up to the level of potential annual revenue recovery based on the following benchmarks:

Abandoned Call Rate Not To Exceed 7.5%
Average Speed of Answer Not To Exceed 65 seconds

¹ For the first rider filing, these components shall be adjusted, as needed, to reflect a period of more or less than a twelve month period determined by the prior section.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

Customer Service Effectiveness/Gas Safety Program Experimental Incentive Plan
CSE/GSIP

and determined as follows:

<u>Customer Service Effectiveness Measures Prior Calendar Year</u>	<u>% Potential Annual Revenue Recovery</u>
Exceed all benchmarks	98%
Exceed one benchmark, meet second	93
Meet all benchmarks	88
Fail to meet one or more benchmarks	0

In the event that actual revenue recovery in a given year is zero, 75% of that year's potential annual recovery shall be carried over and included in the potential annual recovery in the subsequent year.

CALCULATION AND APPLICATION OF CSE/GSIP RATE CHANGES

The total dollar amount of the actual annual revenue recovery for a given year shall be allocated to the RS, SGS, LGS, and LVS classes based on the proportion of adjusted revenue derived from each customer class resulting from resolution of MGE's 2000 rate case. The dollar amount to be recovered from each class shall be converted to a per customer bill amount by dividing the total dollar amount to be recovered from a customer class by prior calendar year class' bills. This CSE/GSIP rate shall be added to the current CSE/GSIP and the total will be applied to the applicable monthly bills. CSE/GSIP rates shall remain in effect unless changed pursuant to the provisions of the Customer Service Effectiveness/Gas Safety Program Experimental Incentive Plan or unless changed pursuant to procedures provided by law.

REPORTING REQUIREMENTS

MGE shall file a revised Sheet No. 12.2 each year to be effective on July 1 of that year by May 15. MGE shall also provide the Commission Staff and Office of Public Counsel a report with all information necessary to verify the computation of the CSE/GSIP for each year by May 15.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

Customer Service Effectiveness/Gas Safety Program Experimental Incentive Plan
CSE/GSIP

As provided for in this CSE/GSIP, the following adjustments to the otherwise applicable Customer Charge/Minimum Bill will become effective with service rendered on and after the effective date of this tariff sheet.

<u>Customer Class</u>	<u>\$</u>
Residential (RS)	\$0.00
Small General Service (SGS)	\$0.00
Large General Service (LGS)	\$0.00
Large Volume Service (LVS)	\$0.00

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

3.09 NOTICE OF DISCONTINUANCE OF SERVICE: Except in cases of (a) dangerous conditions as set forth in Section 4.07, herein; (b) fraudulent use of service as set forth in Section 4.10, herein; (c) tampering as set forth in Section 4.08, herein; or (d) an order or directive of the Commission or other governmental agency or court requiring the discontinuance of service, Company will give to customer written notice of its intention to discontinue gas service.

(A) The notice of discontinuance shall contain the following information:

- (1) The name and address of customer and the address, if different, where service is rendered.
- (2) A clear and concise statement of the reason for the proposed discontinuance of service and the cost of reconnection.
- (3) The date on or after which service will be discontinued unless customer takes appropriate action.
- (4) Terms under which customer may avoid discontinuance.
- (5) A statement that if customer is unable to pay the amount due Company in full, customer may contact Company and request the opportunity to make a deferred payment.
- (6) The prominent display of the telephone number that the customer may call without incurring toll charges and address of Company's office where customer may make inquiry or file a complaint.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY Robert J. Hack

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

P.S.C. MO. No. 1
Canceling P.S.C. MO. No. 1

Seventeenth Revised
Sixteenth Revised

SHEET No. 24.7
SHEET No. 24.7

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

For: All Missouri Service Areas
Community, Town or City

<p>This sheet left blank intentionally.</p> <p><u>Please refer to Sheet No. 24.32</u></p>	
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DATE OF ISSUE: November 7, 2000
month day year

DATE EFFECTIVE: December 7, 2000
month day year

ISSUED BY: Robert J. Hack

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

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 by the customer or by members of customer's household 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 or to a location other than the customer's domicile.

NET MONTHLY BILL

Rate

Minimum Bill:

\$ 16.50 per month, including delivery of up to 20 Ccf of gas.

Commodity Charge:

\$ 0.10853 per Ccf for all gas delivered in excess of 20 Ccf.

Minimum

The higher of the above rate for consumption up to 20 Ccf 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.

DATE OF ISSUE November 7, 2000
month day year

DATE EFFECTIVE December 7, 2000
month day year

ISSUED BY: Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

RESIDENTIAL GAS SERVICE
RS

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).
3. Customer Service Effectiveness / Gas Safety Program Experimental Incentive Plan (CSE/GSIP).

Delayed Payment Charge

1.5% will be added to all bills not paid within 21 days after rendition, unless otherwise required by law or other regulation.

OTHER TERMS AND CONDITIONS

Service provided hereunder is subject to the Company's General Terms and Conditions as approved by the Missouri Public Service Commission.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY: Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

3.10 COLD WEATHER RULE: This rule takes precedence over other rules on provision of heat-related utility service from November 1 through March 31 annually.

(A) Notice Requirements: From November 1 through March 31, prior to discontinuance of service due to nonpayment, Company shall:

- (1) Notify the customer, by first class mail, at least ten days prior to the date of the proposed discontinuance of Company's intent to discontinue service. A registered elderly or handicapped customer and the additional party listed on the customer's registration form also shall be notified within the above time frame. The contact with the registered individual shall include initially two or more telephone call attempts with the mailing of the notice
- (2) Make further attempt to contact the customer within 96 hours preceding discontinuance of service either by a second written notice as in Section 3.10(A)(1) above, sent first class mail; or a door hanger; or at least two telephone call attempts to the customer;
- (3) Attempt to contact the customer at the time of the discontinuance of service in the manner specified by Section 3.09(F).
- (4) Make a personal contact on the premises with a registered elderly or handicapped customer, or some member of the family above the age of 15 years, at the time of the discontinuance of service.
- (5) Provide information in all of the notices and contacts required in this section which describe the terms and provision of service under this rule, including the method of calculating the required payments, the availability of financial assistance from the Division of Family Services and social service or charitable organizations that have notified Company that they provide this assistance, and the identity of these organizations.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

(B) Weather Provisions: Discontinuance of gas or electric service to all residential customers, including all residential tenants of an apartment building, for nonpayment of bills where gas or electricity is used as the source of space heating or operate the only space heating equipment at the residence is prohibited:

- (1) On any day when the National Weather Service local forecast between 6:00 a.m. to 9:00 a.m. for the following 24 hours predicts that the temperature will drop below 30 degrees Fahrenheit; and
- (2) On any day when Company personnel will not be available to reconnect utility service during the immediately succeeding day or days ("Period of Unavailability"), and the National Weather Service local forecast between 6:00 a.m. to 9:00 a.m. predicts that the temperature during the Period of Unavailability will drop below 30 degrees Fahrenheit.

(D) Discontinuance of Service: From November 1 through March 31, Company may not discontinue heat-related residential utility service due to nonpayment of a delinquent bill or account provided:

- (1) The customer contacts Company and states their inability to pay in full;
- (2) The customer applies for financial assistance in paying their heat-related utility bill from any federal, state, local or other heating payment fund program for which they may be eligible;
- (3) Company receives an initial payment and the customer enters into a payment agreement both of which are in compliance with Section 3.10(G) Payment Agreements;
- (4) The customer complies with Company's requests for information regarding the customer's monthly or annual income; and
- (5) There is no other lawful reason for discontinuance of utility service.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

SMALL GENERAL GAS SERVICE
SGS

NET MONTHLY BILL

Rate

Minimum Bill:

\$24.50 per month, including delivery of up to 50 Ccf of gas.

Commodity Charge:

\$0.13571 per Ccf for all gas delivered in excess of 50 Ccf during the months of November through March.

\$00.08810 per Ccf for all gas delivered in excess of 50 Ccf during the months of April through October.

In the event that a billing cycle has usage in more than one calendar month, the commodity charge will be prorated.

Minimum

The higher of the above rate for consumption up to 50 Ccf 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.

DATE OF ISSUE November 7, 2000
month day year

DATE EFFECTIVE December 7, 2000
month day year

ISSUED BY: Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

- (E) Deposit Provisions: Company shall not assess a new deposit or bill deposits that were previously assessed during or after the period of this rule to those customers who enter into a payment agreement and make timely payments in accordance with this rule.
- (F) Reconnection Provisions: Company shall, if heat-related utility service to a residential customer has been discontinued due to nonpayment of a delinquent account, from November 1 through March 31, reconnect service to that customer without requiring a deposit provided:
- (1) The customer contacts Company and requests Company to reconnect service and states an inability to pay in full;
 - (2) The customer applies for financial assistance in paying their heat-related utility bill from any federal, state, local or other heating payment fund program for which they may be eligible;
 - (3) Company receives an initial payment and the customer enters into a payment agreement both of which are in compliance with Section 3.10(G) Payment Agreements;
 - (4) The customer complies with the requests of Company for information regarding the customer's monthly or annual income;
 - (5) None of the amount owed is an amount due as a result of unauthorized interference, diversion or use of Company's service, and the customer has not engaged in this activity since last receiving service; and
 - (6) There is no other lawful reason for continued refusal to provide utility service.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

SMALL GENERAL GAS SERVICE
SGS

NET MONTHLY BILL (continued)

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).
3. Customer Service Effectiveness / Gas Safety Program Experimental Incentive Plan (CSE/GSIP).

Delayed Payment Charge

1.5% will be added to all bills not paid within 21 days after rendition, unless otherwise required by law or other regulation.

OTHER TERMS AND CONDITIONS

Service provided hereunder is subject to the Company's General Terms and Conditions as approved by the Missouri Public Service Commission.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY: Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

(3) Initial Payments:

- (a) The initial payment shall be the amount calculated in Section 3.10(G)(2) above, for a customer who has not defaulted on a payment plan under the Cold Weather Rule.
- (b) The initial payment shall be an amount equal to the total of the delinquent installments for a customer who has defaulted on a payment plan under the Cold Weather Rule, unless Company and customer agree to a lesser amount.

(H) Should Company refuse to provide service pursuant to this rule and the reason for refusal of service involves unauthorized interference, diversion or use of Company's service situated or delivered on or about the customer's premises, Company shall maintain records concerning the refusal of service. These records shall, at a minimum, include:

- (1) the name and address of the person denied reconnection;
- (2) the name of all Company personnel involved in any part of the determination that refusal of service was appropriate;
- (3) the facts surrounding the reason for the refusal, and
- (4) any other relevant information.

3.11 COLLECTION OR DISCONNECTION CHARGE: When it is necessary for Company to make a service call for the purpose of collection or disconnection of service because of non-payment, a service charge as specified in Section 14 herein will be collected from customer by Company.

3.12 RECONNECTION OF GAS SERVICE: Upon customer's request, Company shall restore service promptly when the cause for discontinuance of service has been eliminated, applicable reconnection charges paid and, if required, satisfactory credit arrangements have been made. At all times a reasonable effort shall be made to restore

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

LARGE GENERAL GAS SERVICE
LGS

NET MONTHLY BILL

Rate

Customer Charge:

\$99.00 per month

Commodity Charge:

\$0.13819 per Ccf for all gas delivered during the billing months of November through March.

\$0.09156 per Ccf for all gas delivered during the billing months of April through October.

In the event that a billing cycle has usage in more than one calendar month, the commodity charge will be prorated.

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).
3. Customer Service Effectiveness / Gas-Safety Program Experimental Incentive Plan (CSE/GSIP).

DATE OF ISSUE November 7, 2000
month day year

DATE EFFECTIVE December 7, 2000
month day year

ISSUED BY: Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

UNMETERED GASLIGHT SERVICE
UG

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 customers operating one or more outdoor gaslights where, the connection through which gas is supplied is at a distribution main or the customer's service line at a point ahead of the metering of other gas requirements.

As of May 1, 1990, no new or expanded service shall be provided under this schedule.

NET MONTHLY BILL

Rate

\$ 4.79 per gaslight unit.

For the purpose of this rate, a gaslight unit shall consist of a standard single mantle, or a pair of smaller mantles, and is assumed to require 15 Ccf of natural gas per month.

Adjustments and Surcharges

The rates 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 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

ISSUED BY: Robert J. Hack

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

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

LARGE VOLUME SERVICE
LV

AVAILABLE

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

APPLICABLE

To natural gas service supplied to commercial and industrial customers whose natural gas requirements at a single address or location the Company expects will exceed 15,000 Ccf in any one month of a 12 month billing period. Service to such customers shall be subject to a contract between the customer and the Company, in the form of Sheet Nos, 50 through 53, as applicable, unless otherwise authorized by state law.

Customers receiving service under this schedule whose maximum monthly requirement at a single address or location has exceeded 15,000 Ccf during the most recent 12 month period ended February, or the Company expects will exceed 15,000 Ccf in the following contract year will retain their eligibility for this rate for the following contract year beginning November 1. Any customer failing to meet this requirement shall become ineligible for this rate at the end of the current contract year and will be served under the applicable rate schedule for such reduced requirement until such time as the customer may re-qualify for service hereunder in accordance with the above paragraph.

For purposes of this schedule, a single address or location is defined as the customer's contiguous premises, including streets, alleys and other rights of way, within an area completely surrounded by property owned by others.

When more than one meter is set at a single address or location, as of June 30, 2000, for the customer's convenience, an LVS customer charge shall be assessed for each of the first two meters. For each such remaining installed meter, customer charges will be computed at 50 percent of the LVS customer charge. Gas delivered through all meters set at a single address or location will be aggregated for the purpose of calculating the monthly sales or transportation charges.

DATE OF ISSUE November 7 2000
month day year

DATE EFFECTIVE December 7 2000
month day year

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Missouri Gas Energy, Kansas City, MO. 64111

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

LARGE VOLUME SERVICE

LV

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, the Customer Service Effectiveness / Gas Safety Program Experimental Incentive Plan (CSE/GSIP) and other provisions as hereinafter described.

Rate

Customer Charge: \$614.00 per month

Sales or Transportation Charge:

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

\$ 0.05154 per Ccf for the first 30,000 Ccf transported, plus
\$ 0.04235 per Ccf for all additional gas transported.

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

\$ 0.03585 per Ccf for the first 30,000 Ccf transported, plus
\$ 0.02666 per Ccf for all additional gas transported.

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:

Customer charge plus \$0.0005 per Ccf.

DATE OF ISSUE November 7, 2000
month day year

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INTERIM GAS SERVICE FOR COMPRESSION OF NATURAL GAS
FOR USE AS A FUEL IN VEHICULAR COMBUSTION ENGINES
CNG

NET MONTHLY BILL

Rate

Minimum Bill:

\$24.50 per month, including delivery of up to 50 Ccf of gas.

Sales or Transportation Charge

\$0.13571 per Ccf for all gas sold or transported in excess of 50 Ccf during the months of November through March.

\$0.08810 per Ccf for all gas sold or transported in excess of 50 Ccf during the months of April through October.

In the event that a billing cycle has usage in more than one calendar month, the sales or transportation charge will be prorated.

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.

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.

DATE OF ISSUE November 7, 2000
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INTERIM GAS SERVICE FOR COMPRESSION OF NATURAL GAS
FOR USE AS A FUEL IN VEHICULAR COMBUSTION ENGINES
CNG

NET MONTHLY BILL (continued)

Adjustments and Surcharges

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

1. Purchased Gas Cost Adjustment Schedule (PGA). The purchased gas cost will be the Small General Service (SGS) gas cost stated on Sheet No. 24.7.
2. Tax Adjustment Schedule (TA),
3. Customer Service Effectiveness/Gas Safety Program Experimental Incentive Plan (CSE/GSIP).

Delayed Payment Charge

1.5% will be added to all bills not paid within 15 days after rendition, unless otherwise required by law or other regulation.

OTHER TERMS AND CONDITIONS

Service hereunder is further subject to the following terms and conditions as approved by the Missouri Public Service Commission.

1. General Terms and Conditions (GTC)
2. Transportation Provisions (TRPR)

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GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

<u>Sheet</u>	<u>Section</u>	
R-10	1.37	Termination Of Service
R-10	1.38	Utilicare
R-10	1.39	Yard Line

2. SERVICE AGREEMENTS

R-11	2.01	Application For Service
R-11	2.02	Provisions
R-11	2.03	Term
R-12	2.04	Modifications
R-12	2.05	Credit Regulations
R-17.1	2.06	Left Blank Intentionally
R-18	2.07	Customer Insolvency
R-18	2.08	Succession and Assignment
R-18	2.09	Authority
R-18	2.10	Waiver

3. SUPPLYING GAS SERVICE

R-19	3.01	Availability
R-19	3.02	Prior Indebtedness Of Customer
R-20	3.03	Connection of Service
R-20	3.04	Access To Customer Premises
R-20	3.05	Continuity Of Service
R-21	3.06	Suspension Of Service
R-21	3.07	Discontinuance Of Service
R-23	3.08	Timing Of Discontinuance
R-24	3.09	Notice Of Discontinuance Of Service
R-27	3.10	Cold Weather Rule
R-30	3.11	Collection Or Disconnection Charge
R-30	3.12	Reconnection Of Gas Service
R-31	3.13	Refusal To Serve
R-32	3.14	Service Line And Yard Line Installation And Maintenance
R-33	3.15	Replacement Of Customer Owned Service Lines And Yard Lines
R-33.2	3.16	Maintenance Of Customer Owned Service Lines And Yard Lines
R-33.2	3.17	Property Of The Company
R-33.3	3.18	Excess Flow Valves
R-34	3.19	Company Liability

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GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

7. BILLING AND PAYMENT

<u>Sheet</u>	<u>Section</u>	
R-46	7.01	Billing Information
R-47	7.02	Billing Period
R-47	7.03	Average Bill Calculation Plan
R-49	7.04	Estimated Billing
R-51	7.05	Mailing Bills
R-51	7.06	Failure To Obtain Meter Reading
R-52	7.07	Payment Of Bills
R-52	7.08	Default
R-52	7.09	Extension Agreement
R-52	7.10	Returned Payment Charge

8. CLAIMS AND COMPLAINTS SETTLEMENTS-RESIDENTIAL ONLY

R-53	8.01	Complaints And Disputed Claims
R-54	8.02	Payment Of Amount Not In Dispute
R-55	8.03	Settlement Agreement
R-56	8.04	Default Of Settlement Agreement
R-57	8.05	Res Judicata
R-57	8.06	Failure To Reach Agreement
R-57	8.07	Other Remedies
R-57	8.08	Discontinuance Pending Decision
R-57	8.09	Record Keeping

9. MAIN EXTENSION POLICY CONVENTIONAL

<u>Sheet</u>	<u>Section</u>	
R-58	9.01	General
R-58	9.02	Extensions Not Requiring Customer Deposits
R-58a	9.03	Extensions Requiring Customer Deposits
R-59	9.04	Extensions To Interruptible Service & Large Firm Service Customers
R-60	9.05	Ownership
R-60	9.06	Customer Contracts
R-60	9.07	Determination Of Extension Length
R-60	9.08	Right-Of-Way And Franchise Limitations
R-61	9.09	Extensions In Unimproved Streets And Alleys

10. MOBILE HOME SERVICE

R-61	10.01	Availability
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DATE OF ISSUE November 7 2000
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GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

In order to expedite service to a customer moving from one location to another, Company may provide service at the new location before all bills and charges are paid for service at the prior location. Company reserves the right to transfer any unpaid amount from prior service(s) to a current service account. Such transferred bills are then subject to the provisions of Sections 7.07 and 7.08 herein.

- 3.03 CONNECTION OF SERVICE: The Company shall charge a transfer fee as set forth in Section 14 herein to service applicants when natural gas service is not being initiated or reinstated but is continuing from a prior customer. The Company shall charge a connection fee as set forth in Section 14 herein to service applicants when natural gas service is being initiated for the first time or had been previously terminated at the location. At the customer's option, the connection fee may be spread out over a period not to exceed four months. Separate fees for reconnection of service after discontinuance by the Company are provided for in Section 3.12 herein.
- 3.04 ACCESS TO CUSTOMER PREMISES: Customer shall give duly authorized agents and employees of Company, when properly identified, full and free access to the premises of customer at all reasonable hours for the purpose of constructing, installing, inspecting, adjusting, repairing, maintaining, replacing, or removing any of Company's facilities on the premises of customer, reading meters, or for any other purpose incidental to the gas service supplied by Company. Access for the purpose of reading meters inside buildings is more specifically covered in Section 5.05 herein.
- 3.05 CONTINUITY OF SERVICE: Company will use reasonable diligence to furnish continuous gas service to customer, but does not guarantee the supplying of gas service against irregularities or interruptions. Company shall not be considered in default of its service agreement with customer and shall not otherwise be liable for any damage occasioned by irregularities or interruptions of service due to breakdowns or damage to equipment, extraordinary repairs, an act of God or public enemy, accidents, strikes or their equivalent, legal process, state or municipal interference, civil disturbances, depletion of gas supply, or any other cause beyond Company's control.

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GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

3.06 **SUSPENSION OF SERVICE:** Company shall have the right to suspend gas service to customer for temporary periods as may be necessary for the inspection, maintenance, alteration, change, health, safety, state of emergency, replacement or repair of gas facilities, or for the preservation or restoration of system operations. In all cases of interruption or suspension of service, Company will make reasonable efforts to restore service without unnecessary delay. No such interruption or suspension of service will relieve customer from charges provided for in customer's service agreement. Company shall not be liable for damages occasioned by suspension of service for said causes.

3.07 **DISCONTINUANCE OF SERVICE:** Company shall have the right to discontinue gas service to a customer and remove its facilities, or any portion thereof, from customer's premises upon default by customer of any provision of the service agreement. In addition to any other legal remedies, Company reserves the right to refuse to reconnect gas service to any customer until such default shall have been remedied by customer. Any one or more of the following may be considered as a default:

- (A) Non-payment of an undisputed delinquent charge.
- (B) Failure to post a security deposit or guarantee acceptable to Company.
- (C) Unauthorized interference, diversion or use of the gas service situated or delivered on or about customer's premises.
- (D) Failure to comply with the terms and conditions of a settlement agreement.
- (E) Refusal after reasonable notice to permit inspection maintenance, replacement or meter reading of utility equipment. If the utility has a reasonable belief that health or safety is at risk, notice at the time inspection is attempted is reasonable.

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- (F) Misrepresentation of identity for the purpose of obtaining gas service.
- (G) Violation of any other General Terms and Conditions for Gas Service of Company on file with and approved by the Commission which adversely affects the safety of customer or other persons, or the integrity of Company's delivery system.
- (H) Failure to pay cost of additional service line, or replacement of a customer-owned service line or lines as provided for in Sections 3.14 and 3.15 herein.
- (I) As provided by state or federal law.

None of the following shall constitute sufficient cause for Company to discontinue service:

- (A) The failure of customer to pay for merchandise, appliances, or services not subject to Commission jurisdiction as an integral part of the gas provided by Company.
- (B) The failure of customer to pay for concurrent service received at a separate metering point, residence or location. In the event of discontinuance or termination of service at a separate residential metering point, residence or location in accordance with these General Terms and Conditions for Gas Service, Company may transfer any unpaid balance to any other residential service account of customer and may discontinue service twenty-one (21) days after rendition of the combined bill, for nonpayment, in accordance with this rule.

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- (C) The failure of customer to pay for a different class of service received at the same or different location. The placing of more than one meter at the same location for the purpose of billing the usage of specific devices under optional rate schedules or provisions is not construed as a different class of service for the purpose of this Section.
- (D) The failure to pay the bill of another customer unless the customer whose service is sought to be discontinued received substantial benefit and use of the service.
- (E) The failure of a previous owner or occupant of the premises to pay an unpaid or delinquent bill except where the previous occupant remains an occupant or user.
- (F) The failure to pay a bill correcting a previous underbilling, whenever the customer claims an inability to pay the corrected amount, unless the company has offered the customer a payment arrangement equal to the period of underbilling.

3.08 TIMING OF DISCONTINUANCE: Subject to the requirements of these General Terms and Conditions for Gas Service, Company may discontinue service to a customer between the hours of 8:00 a.m. and 4:00 p.m. on the date specified on the notice of discontinuance or within eleven (11) days thereafter. Service shall not be discontinued on a day when Company personnel are not available to reconnect customer's service, or on a day immediately preceding such day. Service shall not be discontinued for non-payment of a delinquent charge unless written notice by first class mail is sent to the customer at least 10 days prior to the date of proposed discontinuance. Service of notice by mail is complete upon mailing. Where written notice is hand delivered to a customer in which case discontinuance may be effected not less than 96 hours after delivery of the notice. After the eleven (11) business day effective period of the notice, all notice procedures required by this rule shall again be followed before the company may discontinue service.

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GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

service upon the day restoration is requested, and in any event, restoration shall be made no later than the next working day following the day requested by customer.

The reconnection charge, precedent to the restoration of gas service to a customer whose gas service has been discontinued for any reason whatsoever, shall be as provided in Section 14, herein.

If gas service is discontinued for non-payment by customer of any delinquent gas service bill, Company shall not, except as provided in Section 3.10 herein, be required to restore service until all delinquent bills and reconnection charges have been paid and customer has complied with Section 2.05 herein.

A reconnection charge as provided for in Section 14, herein, shall apply if service is discontinued at the request of customer and reconnected within 7 months at the request of customer at the same location.

The requirements of this Section cannot be avoided by a request for a restoration of service or an application for service at the same location by a member of customer's household or family, any person who has enjoyed benefits from previous service, or any other person acting for or on behalf of customer.

3.13 REFUSAL TO SERVE: Company may refuse to supply gas service or discontinue service to any customer who fails or refuses to comply with the provisions of any applicable law, rule of the Commission, rate schedule or any provision of these General Terms and Conditions for Gas Service in effect and on file with the Commission.

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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

Customer Charge:

\$614.00 per month

Transportation Charge:

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

\$0.05154 per Ccf for the first 30,000 Ccf transported, plus
\$0.04235 per Ccf for all additional gas transported.

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

\$0.03585 per Ccf for the first 30,000 Ccf transported, plus
\$0.02666 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

\$0.03837 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

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WHITEMAN AIR FORCE BASE

\$0.02026 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

\$0.03837 per Ccf for all additional gas transported.

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).
3. Customer Service Effectiveness / Gas Safety Program Experimental Incentive Plan (CSE/GSIP).

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.

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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:

Rate:

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.

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