

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of Missouri Gas Energy's Tariffs )  
Increasing Rates for Gas Service Provided to ) **Case No. GR-2006-0422**  
Customers in the Company's Missouri Service ) Tariff File No. YG-2006-0845  
Area. )

**SUSPENSION ORDER AND NOTICE**

Issue Date: May 12, 2006

Effective Date: May 12, 2006

On May 2, 2006, Missouri Gas Energy submitted to the Missouri Public Service Commission proposed tariff sheets intended to implement a general rate increase for gas service provided to customers in the Missouri service area of the company. The proposed tariffs sheets bear a requested effective date of June 2 and are designed to produce an aggregate annual increase of \$41,651,345 or 6.8%. With the proposed tariff sheets and other minimum filing requirements, the company also filed prepared direct testimony in support of its request.

In order to allow sufficient time to study the effect of the proposed tariff sheets and to determine if they are just, reasonable and in the public interest, the proposed tariffs sheets will be suspended for a period of 120 days beyond the requested effective date. Furthermore, because a hearing on the proposed tariff sheets can not be conclude within the period of suspension, the Commission will suspend the proposed tariff sheets for an additional six months beyond the 120<sup>th</sup> day following the requested effective date.

MGE shall file any request for a true-up no later than two weeks after the date of this order. Any true-up request must include a proposed date to which the company's financial

data is to be brought forward. The Commission has reserved dates for a true-up hearing. The company's proposal should also specify a complete list of accounts of items of expense, revenues, and rate base designed to prevent any mismatch in those areas. The Commission will not consider a true-up of isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue-expense-rate base match at a proper point in time.<sup>1</sup>

The Commission will schedule the hearing dates in this order. By establishing the hearing dates now, the Commission will ensure that this matter is heard as expeditiously as possible. Additionally, the earlier establishment of the hearing dates will allow ample time for notice to be sent to customers. The company shall give notice to customers as directed in the ordered paragraphs below. The Commission will also set an early prehearing conference and require the parties to file a proposed procedural schedule with additional filing dates for testimony, a second prehearing conference, local public hearing(s), the statement of issues and position papers of the parties, and the reconciliation. The Staff of the Commission shall have primary responsibility for the proposed procedural schedule. Staff should coordinate the proposed schedule with the company, the Office of the Public Counsel and any intervenors, where possible.

The company has proposed the use of a test year ending December, 2005. The Staff, Public Counsel, and all intervenors shall state their positions regarding the company's true-up and test year proposal as hereinafter ordered.

The Commission finds that proper persons should be allowed 20 days from the issuance of this order to file a motion for leave to intervene. The Commission's Data

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<sup>1</sup> See *In re Kansas City Power & Light Company*, 26 Mo. P.S.C. (N.S.) 104, 110 (1983).

Center shall serve a copy of this order upon the county commission of each county in the company's service area and upon the mayor of any city, not within a county, in the company's service area. Additionally, the Commission's Public Information Office shall make notice of this order available to the media serving the company's service area and to the members of the General Assembly representing the residents of the company's service area.

The Commission will authorize Staff to file a complaint seeking reduction in the company's revenues if its audit reflects that the company's earnings are excessive.

**IT IS ORDERED THAT:**

1. The proposed gas service tariff sheets submitted on May 2, 2006, by Missouri Gas Energy, for the purpose of increasing rates for gas service to customers are suspended for a period of 120 days from June 2 to September 30, 2006. The specific sheets suspended are:

**P.S.C MO. No. 1**

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- First Revised Sheet No. 12 Replacing Original Sheet No. 12**
- Eleventh Revised Sheet No. 24.3 Replacing Tenth Revised Sheet No. 24.3**
- Sixth Revised Sheet No. 25 Replacing Fifth Revised Sheet No. 25**
- Sixth Revised Sheet No. 28 Replacing Fifth Revised Sheet No. 28**
- Sixth Revised Sheet No. 31 Replacing Fifth Revised Sheet No. 31**
- Second Revised Sheet No. 39 Replacing First Revised Sheet No. 39**
- Sixth Revised Sheet No. 42 Replacing Fifth Revised Sheet No. 42**
- Second Revised Sheet No. 61.2 Replacing First Revised Sheet No. 61.2**
- Sixth Revised Sheet No. 76 Replacing Fifth Revised Sheet No. 76**
- Fifth Revised Sheet No. 77 Replacing Fourth Revised Sheet No. 77**
- Second Revised Sheet No. 83 Replacing First Revised Sheet No. 83**
- Sixth Revised Sheet No. 94 Replacing Fifth Revised Sheet No. 94**
- Second Revised Sheet No. R-6 Replacing First Revised Sheet No. R-6**
- Second Revised Sheet No. R-7 Replacing First Revised Sheet No. R-7**
- Second Revised Sheet No. R-8 Replacing First Revised Sheet No. R-8**
- Second Revised Sheet No. R-9 Replacing First Revised Sheet No. R-9**
- Second Revised Sheet No. R-10 Replacing First Revised Sheet No. R-10**
- Fifth Revised Sheet No. R-14 Replacing Fourth Revised Sheet No. R-14**
- Second Revised Sheet No. R-15 Replacing First Revised Sheet No. R-15**

**Second Revised Sheet No. R-26 Replacing First Revised Sheet No. R-26  
Second Revised Sheet No. R-31 Replacing First Revised Sheet No. R-31  
Fourth Revised Sheet No. R-34 Replacing Third Revised Sheet No. R-34**

2. The gas service tariff sheets suspended in paragraph 1 are suspended an additional six months beyond September 30, 2006 to March 30, 2007, unless otherwise ordered by the Commission.

3. Any person or entity desiring to intervene in this matter shall file an application requesting intervention no later than June 1, 2006, with:

Colleen M. Dale, Secretary  
Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, Missouri 65102

and send copies to:

James C. Swearingen  
Brydon, Swearingen & England, P.C.  
Post Office Box 456  
312 East Capitol Avenue  
Jefferson City, Missouri 65102

and:

Office of the Public Counsel  
Suite 650  
Post Office Box 2230  
Jefferson City, Missouri 65102

4. Missouri Gas Energy shall file, no later than May 24, 2006, any request for a true-up audit and hearing.

5. The Staff of the Commission, the Office of the Public Counsel, and any person or entities requesting intervention shall file, on or before June 9, 2006, a pleading either indicating concurrence with the company's proposed test year ending December, 2005 or recommending an alternative thereto.

6. The Staff of the Commission, the Office of the Public Counsel, and any person or entities requesting intervention shall file, on or before June 9, 2006, a pleading stating their recommendation concerning true-up.

7. An early prehearing conference shall be held on June 16, 2006, at 10:00 a.m. The early prehearing conference shall be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in the prehearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

8. The parties shall file a proposed procedural schedule as described in this order on or before June 25, 2006. The Commission's Staff shall have primary responsibility for preparing and filing the proposed procedural schedule.

9. The Commission will conduct local public hearings on the proposed rate increase and will set times, dates and locations of these local public hearings in a subsequent order. The parties and intervenors, if any, shall file recommendations as to the dates and location for local public hearings in this case on or before June 25, 2006.

10. December 11-15, 18-22, 2006 is reserved for an evidentiary hearing. The evidentiary hearing shall be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in the prehearing, please call the Public Service

Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

11. December 27, 28 and 29, 2006 shall be reserved for any true-up hearing, in the event that such a hearing is requested and the Commission grants the request. The true-up hearing shall be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in the prehearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

12. Missouri Gas Energy shall notify each affected customer of the local public, evidentiary and true-up hearings scheduled in this case, either by a notice on, or accompanying, a bill or by separate notice, at least ten days, but not more than 45 days, prior to the relevant hearing. The notice shall be substantially in the following form:

#### NOTICE

Missouri Gas Energy has filed revised gas service tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross revenues by approximately 6.8%. For the average residential customer the proposed increase would be approximately \$6.52 per month.

A local public hearing (or evidentiary hearing) has been set before the PSC at \_\_\_\_\_ o'clock \_\_.m., \_\_\_\_, at \_\_\_\_ Street, \_\_\_\_, Missouri. If you wish to comment or secure information, you may contact the Office of the Public Counsel, Post Office Box 2300, Jefferson City, Missouri 65102, telephone (573) 751-4857.

This building meets accessibility standards required by the American with Disabilities Act. If a customer needs additional accommodations to participate in these hearings, please call the Public Service Commission's

Hotline at 1-800-392-4221 (voice) or Relay Missouri at 711 prior to the hearing.

13. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county affected by the tariff filing as pled by Missouri Gas Energy.

14. The Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing the residents of the service area affected by the tariff filing as pled by Missouri Gas Energy and to the news media serving the residents of the counties affected by the tariff filing as pled by Missouri Gas Energy.

15. The Staff of the Commission is hereby authorized to file a complaint seeking reduction in the company's revenues if its audit reflects that the company's earnings are excessive. Any such complaint shall be filed in this case.

16. This order shall become effective on May 12, 2006.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

Kennard L. Jones, Regulatory Law Judge,  
by delegation of authority pursuant to  
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 12th day of May, 2006.