

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
February 1, 2001**

CASE NO: GR-2001-382

Office of the Public Counsel

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General Counsel

Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Robert J. Hack

Missouri Gas Energy
3420 Broadway
Kansas City, MO 64111

Enclosed find certified copy of a NOTICE of EX PARTE CONTACT in the above-numbered case(s).

Sincerely,



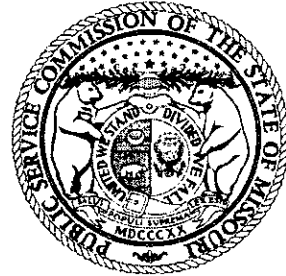
**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

Notice of *Ex Parte* Contact

TO: Records Department:
All Parties in Case No. **GR-2001-382**
All Commissioners

FROM: Chair Sheila Lumpe *SL*

DATE: February 1, 2001

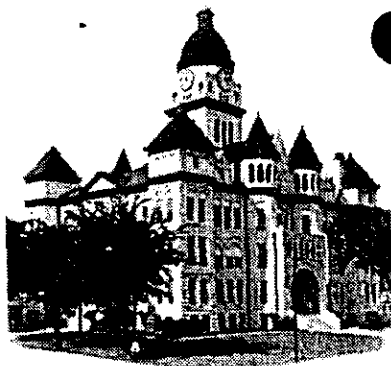


On January 19, 2001, I received a letter from Kenneth Johnson, Mayor, City of Carthage, 326 Grant, Carthage, MO 64836. The Commission is currently considering the same issues as to those set out in this document in Case Number **GR-2001-382**. The Commission is bound by the same *ex parte* rule as a court of law.

Pursuant to 4 CSR 240-4.020(4) it is improper for any person to attempt to sway the judgement of the Commission by undertaking, directly or indirectly, outside the hearing process, to bring pressure or influence to bear upon the Commission, or the Regulatory Law Judge assigned to the proceeding. Whenever such contact might occur 4 CSR 240-4.020(a) states: as *ex parte* communications (either oral or written) may occur inadvertently, any member of the Commission or Regulatory Law Judge who received the communication shall immediately prepare a written report concerning the communication and submit it to the Chair and each member of the Commission. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, out of an abundance of caution, I think it appropriate to submit this notice of *ex parte* contact pursuant to the standards set out in the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel



The City of Carthage

326 Grant • Carthage, MO 64836 • (417) 237-7003 • FAX (417) 237-7005

January 16, 2001

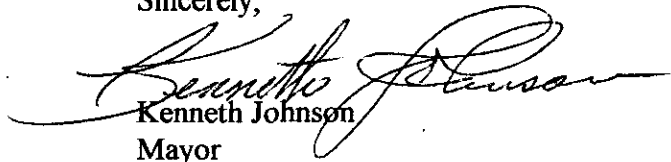
Ms. Sheila Lumpe, Chairman
Public Service Commission
Governor Office Building
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102

Dear Ms. Lumpe:

On behalf of the Citizens of the City of Carthage, Missouri, I would like to go on record as opposing the proposed natural gas rate increase scheduled for January 24, 2001.

The proposed 40% increase is, in my opinion outrageous. As the Commission is no doubt aware, there are a large number of citizens on a fixed income who would be severely impacted by this additional increase. For the past few months, our citizens have already experienced large increases in their monthly natural gas bills which have strained their limited budgets. This, coupled with the unusually cold weather and the previous increase on natural gas prices have caused considerable distress to our citizens. Additionally, the number of citizens barely making ends meet each month who are not on fixed incomes would be put in a position of having to decide whether their limited income would be used for eating or heating. I am sure you can see that some type of relief is needed to help our citizens. I therefore request that the Commission conduct hearings on high gas prices and mitigation alternatives, and hold public forums before any additional rate increases are approved. Additionally, I would suggest that the Commission review and closely monitor gas costs passed through to consumers. The Commission may want to consider whether if the gas cost recovery mechanism is working effectively in balancing the objectives of low-gas costs and low price risk, and explore any innovative regulatory tools such as performance-based or incentive gas cost recovery plans. The Commission may also want to consider allowing utilities to defer a portion of their gas costs above a certain threshold for recovery in less heat sensitive months.

Sincerely,


Kenneth Johnson
Mayor

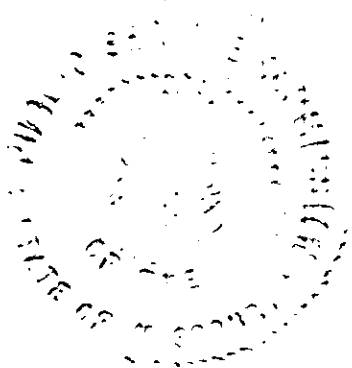
CC: Governor Robert Holden

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 1st day of February 2001.



A handwritten signature in dark ink, reading "Dale Hardy Roberts". The signature is written in a cursive style with a large, prominent "D" and "R".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge