

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 12th
day of July, 1995.

In re Missouri Gas Energy tariffs designed)
to expand the availability of) CASE NO. GT-95-32
transportation service.)

In re Missouri Gas Energy tariffs designed) CASE NO. GR-95-33
to recover transition costs.)

ORDER GRANTING IN PART, AND DENYING IN PART, MOTION FOR CLARIFICATION
ORDER DENYING MOTIONS FOR RECONSIDERATION AND REHEARING,
AND ORDER OF CORRECTION

After hearing, the Commission issued its Report and Order on May 26, 1995, resolving the issues in both GT-95-32 and GR-95-33. The Commission's Staff filed a Motion for Clarification, Missouri Gas Energy filed an Application for Rehearing, the United States Department of Energy filed a Motion for Rehearing and Reconsideration, and Midwest Gas Users Association filed an Application for Rehearing, all on June 5, 1995. After considering the motions of the parties the Commission has determined that the parties have not presented sufficient reason to justify a rehearing pursuant to § 386.500 RSMo 1994. However, the Commission is of the opinion that the corrections and clarifications set out below should be made.

Case No. GT-95-32

MGE has correctly interpreted the Commission's Report and Order as intending to reject the tariff sheets in Docket GT-95-32 (File No. 9500014) as filed but to approve of the concept of the LGTS tariff if the company provides suitable tariff language regarding the cap waiver and exit

fee. The Commission is not of the opinion that the company needs express authorization in order to file tariffs for consideration. Refiling was clearly contemplated when the Commission stated on pages 7 and 9 that the tariff language should be reformed.

GR-95-33

The Report and Order should be corrected to read as follows:

First, the reference in the Summary section (R & O, p. 18) to "FERC-approved transition costs" should read "FERC-authorized transition costs".

Secondly, the quoted material on page 15, second full paragraph, should read "... only those costs which relate solely to the most recent annual pipeline PGA period."

Finally, the reference to "transfer and exchange imbalances" in the third paragraph of page 15 of the R & O should read "transportation and exchange imbalances".

The Report and Order should be clarified as follows:

First, in its Report and Order the Commission addressed GSR costs which are, or will be, direct billed to MGE from its pipeline(s). Those are the only GSR costs before the Commission in this case as the docket was established to specifically consider the reasonableness of the tariff assigned File No. 9500015.

Secondly, the Commission believes the context makes it clear that the stranded and new investment to which the Report and Order refers is stranded and new investment incurred by the pipeline and passed through to MGE as transition costs. No other issue regarding stranded and new investment was presented to the Commission in this docket.

Finally, MGE did not file conforming tariffs to become effective on June 6, 1995, as ordered. The company filed those tariffs on June 15, 1995, and they were rejected on June 28, 1995. The issue of whether the time of filing should be extended is moot. MGE may not pass through transition costs until it has filed tariffs and received Commission approval. No advantage would be gained at this point by extending the filing date to a date certain. When MGE files conforming tariffs, they will be considered by the Commission.

IT IS THEREFORE ORDERED:

1. That the Motion for Clarification filed by the Commission Staff, the Application for Rehearing filed by Missouri Gas Energy, the Motion for Rehearing and Reconsideration filed by the United States Department of Energy, and the Application for Rehearing filed by Midwest Gas Users Association are granted to the extent of the corrections and clarifications made above.

2. That in all other respects the motions enumerated in Ordered Paragraph 1 are denied.

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

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure and
Crumpton, CC., Concur.
Kincheloe, C., Absent.