

MIDWEST ENERGY, INC.

(Name of Issuing Utility)

K-System

(Territory to which schedule is applicable)

Replacing Schedule RGS Sheet 1

which was filed April 27, 1998

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 2 Sheets

REFORMED GAS SUPPLY (RGS) ADJUSTMENT

1. APPLICABILITY.

The Reformed Gas Supply Adjustment specified hereunder shall be applied to all natural gas transportation and sales rate schedules applicable to customers in the former KN Energy service areas as they existed on March 31, 1998, or adjacent areas. As used here, the term "adjacent areas" shall mean those areas that KN Energy would reasonably have served absent the sale of distribution properties to Midwest Energy, Inc. (Company). Transportation and sales rate schedules applicable to customers in the areas that Company served prior to March 31, 1998 shall be exempt from this Reformed Gas Supply Adjustment schedule.

2. PURPOSE AND USE OF PROCEEDS.

The purpose of this adjustment is to resolve gas supply restructuring obligations resulting from FERC Order No. 636. All monies collected under this schedule shall be forwarded to the Trust authorized by the Commission in Docket No. 98-MDWG-370-COC. Company shall act only as a billing and collection agent for the Trust.

3. TERM OF ADJUSTMENT.

The adjustment shall remain in effect until the principal amount approved in Docket No. 98-MDWG-370-COC and associated financing costs incurred by the Trust have been recovered in full.

4. AMOUNT OF ADJUSTMENT.

- a. For customers taking transportation service from KN Energy prior to March 31, 1998, and customers served by the Grant County and Tate Irrigation Projects (Commission Docket Nos. 98-KNNG-437-COC and 98-KNNG-471-COC) prior to December 31, 1998, the adjustment per MMBTU shall be:

Year	Transportation Schedule and Class			
	TCS Commercial	TIS Industrial	TSS Irrigation	TLS Livestock
2002	\$0.14	\$0.14	\$0.14	\$0.06
2003	\$0.19	\$0.19	\$0.19	\$0.08
2004	\$0.24	\$0.24	\$0.24	\$0.10
2005	\$0.29	\$0.29	\$0.29	\$0.12
2006	\$0.30	\$0.30	\$0.30	\$0.14
2007	\$0.30	\$0.30	\$0.30	\$0.16
2008	\$0.30	\$0.30	\$0.30	\$0.18
2009	\$0.30	\$0.30	\$0.30	\$0.20
Thereafter	\$0.30	\$0.30	\$0.30	\$0.20

Commission File Number _____

Issued _____
 Month Day Year
 Effective January 22, 2003
 Month Day Year
 By *Gene Argo* President
 Gene Argo Signature of Officer Title

02-MDWG-922-RTS
 Noted & Filed
 Kansas Corporation Commission
 January 22, 2003
 /s/ Thomas A. Day

SCHEDULE RGS

MIDWEST ENERGY, INC.

(Name of Issuing Utility)

Replacing Schedule RGS Sheet 2

K-System

(Territory to which schedule is applicable)

which was filed April 27, 1998

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 2 Sheets

REFORMED GAS SUPPLY (RGS) ADJUSTMENT - cont.

- b. For all other Customers, including those who migrate from sales rate schedules to transportation rate schedules for the first time after March 31, 1998, the adjustment shall be 40.0 cents per MMBTU.
- c. The amount of adjustment applicable to specific locations may be discounted if, in the Company's sole judgment, such discount is necessary to preserve or secure load.
- d. Company may, at its discretion, temporarily roll back the amount of surcharge to levels no less than existed on January 1, 2002 in the event of extraordinarily high market prices for natural gas.
- e. Except for provisions c. and d. above, the adjustment amount shall only be changed upon application by the Company and approval by the Commission.

Commission File Number

Issued _____
 Month Day Year
 Effective January 22, 2003
 Month Day Year
 By *Gene Argo* President
 Gene Argo Signature of Officer Title

02-MDWG-922-RTS *DGM*
 Noted & Filed
 Kansas Corporation Commission
 January 22, 2003
 /S/ Thomas A. Day