

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
November 30, 2000**

CASE NO: GR-2000-520

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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

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

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 30th
day of November, 2000.

SECOND ORDER GRANTING VARIANCE

³ On November 2, 2000, the Commission entered its first order granting variance. The order stated, *inter alia*, that the part of UtiliCorp's tariff P.S.C. Mo. Tariff No. 5, 4th Revised Sheet No. 34, which requires that UtiliCorp make two scheduled purchased gas adjustment filings each year and permits one unscheduled purchased gas adjustment filing during each winter period, with the winter purchased gas adjustment to be filed between October 15 and November 4 each year, is varied to allow the filing to be no later than November 6, 2000.

UtiliCorp informed the Commission that it is authorized to conduct business in Missouri through its UtiliCorp operating division and as such is engaged in providing electrical and natural gas utility service in its service areas subject to the jurisdiction of the Commission. A certified copy of UtiliCorp's Certificate of Corporate Good Standing-Foreign Corporation and fictitious name registration as issued by the Secretary of State of the State of Missouri was previously filed with the Commission in case number EM-2000-292 and was incorporated by UtiliCorp's reference to it in accordance with Commission Rule 4 CSR 240-2.060(1)(G). UtiliCorp alleged that it has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates. UtiliCorp also alleged that it has no annual report or assessment fees that are overdue.

The motion indicated that UtiliCorp's P.S.C. Mo. No. 5, 6th Revised Sheet No. 36, II.C, calls for UtiliCorp to recover the ending actual cost adjustment (ACA) balance over a twelve-month period. On November 6, 2000, UtiliCorp filed its annual winter purchased gas adjustment (PGA) tariff (i.e., P.S.C. Mo. No. 5, 14th Revised Sheet No.44.1) that is designed to calculate the total PGA amount to be recovered in the upcoming period⁴. UtiliCorp also provided supporting workpapers that identified a current ACA balance of \$872,698.98.

⁴ The Commission entered its second order approving interim rates on November 9, 2000, with a notice correcting the tariff number issued on November 14, 2000.

In order to reduce the immediate impact upon customers of the recovery of this current ACA balance in a twelve-month period (as would otherwise be required by P.S.C. Mo. No. 5, 6th Revised Sheet No. 36, II.C), UtiliCorp proposed recovering the current ACA balance over a three-year period. According to UtiliCorp, this would result in a recovery of \$290,899.66 in the current period, assuming annual sales of 379,065 Mcf. Attached to UtiliCorp's motion was Appendix A which detailed this information.

UtiliCorp's good cause for requesting the variance is that, due to drastic increases in the price of natural gas and two years of warmer than normal weather, this was a reasonable request. A grant of the proposed variance will reduce the immediate rate impact upon customers by making resulting increases more gradual.

According to UtiliCorp, the Staff of the Commission (Staff) has worked with the UtiliCorp to develop this solution to assist in rate stabilization for the UtiliCorp Eastern System customers.

Accordingly, UtiliCorp requested that the Commission grant it a variance from P.S.C. Mo. No. 5, 6th Revised Sheet No. 36, II.C, to permit it to recover the current ACA balance over a three-year period, rather than a twelve-month period.

On November 17, 2000, Staff filed its recommendation regarding UtiliCorp's motion for variance concerning recovery. Staff noted that it has reviewed the requested variance and the tariff sheets and found that, except for this one-time variance, the tariff sheets are in conformance with the company's PGA clause. Staff recommends that UtiliCorp's motion for variance concerning recovery period be granted

because a three-year recovery period, rather than the usual one-year recovery period will lessen the impact of such recovery on customers. Staff does suggest, however, that for clarity, the variance be referred to as a "one-time variance."⁵

Commission Rule 4 CSR 240-2.060(14) states, in part:

[A]pplications for variances or waivers from...tariff provisions...shall contain information as follows: (A) Specific indication of the...tariff from which the variance or waiver is sought; (B) The reasons for the proposed variance or waiver and a complete justification setting out the good cause for granting the variance or waiver; and (C) The name of any public utility affected by the variance or waiver.

The Commission finds that UtiliCorp has substantially complied with that part of Commission Rule 4 CSR 240-2.060(14) cited above and will grant the variance to that part of UtiliCorp's tariff cited above.

IT IS THEREFORE ORDERED:

1. That the part of the tariff of UtiliCorp United Inc. d/b/a Missouri Public Service, i.e., P.S.C. Mo. Tariff No. 5, 6th Revised Sheet No. 36, II.C, which requires it to recover the ending actual cost adjustment balance over a twelve-month period, is varied to allow the recovery to be over a three-year period.

⁵ Every variance or waiver granted by the Commission is unique; thus, to add to the order that it is a "one-time" variance is superfluous.

2. That this order shall become effective on December 10, 2000.

BY THE COMMISSION

Dale Hardy Roberts

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

(S E A L)

Lumpe, Ch., Drainer, Murray, Schemenauer,
and Simmons, CC., concur

Hopkins, Senior Regulatory Law Judge

ALJ/Sec'y: Hopkins/Boyce

11-20 GR-2000-520
Date Circulated CASE NO.

DL p5
Lumpe, Chair

all
Draper, Vice Chair

Can 3.1
Murray, Commissioner

AC 3
Schemenauer, Commissioner

KS
Simmons, Commissioner

11-30
Agenda Date

Action taken: 5-0 AA

Must Vote Not Later Than _____

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 30th day of Nov. 2000.



Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge