

MEMORANDUM

FILED<sup>2</sup>

APR 13 2000

Missouri Public  
Service Commission

TO: Missouri Public Service Commission Official Case File  
Case No. GR-2000-520, File No. 200000909,  
Missouri Public Service

FROM: James A. Gray, Gas Department - Tariffs/Rate Design

*John M. Hering* 4/12/00  
Utility Operations Division/Date

*[Signature]* 4-13-00  
General Counsel's Office/Date

SUBJECT: Staff Recommendation For Missouri Public Service's Scheduled Summer  
Season PGA Filing Effective April 18, 2000.

DATE: April 11, 2000

On April 5, 2000, Missouri Public Service (MPS or Company) of Kansas City, Missouri, filed tariff sheets proposed to become effective April 18, 2000. The tariff sheets were filed to reflect scheduled changes in MPS's Southern and Northern System Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming summer season. The summer season includes the months of April through October. Additionally, the Refund factor in the Southern System is modified to reflect the implementation of refunds received by the Company.

MPS's PGA Clause states that the summer PGA change shall be filed between March 15 and April 4 of each year. Due to an error in delivery of the PGA filing to the wrong address on April 4, 2000, the Commission's Records Department did not receive the filing until April 5, 2000.

For the Northern System (serving communities such as Chillicothe and Trenton), the effect of the change in the PGA will increase the firm PGA factor for the summer season to \$0.44655 per Ccf from a winter season firm PGA factor of \$0.41366 per Ccf. The increase from the winter season to the summer season is due to higher than normal expected gas costs for the coming summer period.

For the Southern System (serving communities such as Sedalia and Clinton), the effect of these changes (PGA and Refund) will decrease the firm PGA factor for the summer season to \$0.33481 per Ccf from a winter season firm PGA factor of \$0.36523 per Ccf. The reason this district is experiencing a decrease is due to the implementation of the refund, which offset the higher gas costs.

For the Eastern System (serving communities such as Rolla and Owensville), MPS proposes that the summer season PGA remain at the current unscheduled winter season firm PGA factor of \$0.61489 per Ccf. In its letter, MPS requests a waiver to maintain its current unscheduled winter season PGA factors because the Eastern System is experiencing an extreme under-recovery in its Actual Cost

Adjustment (ACA) account. If the Company filed the scheduled summer PGA factor required by the PGA Clause, next year's ACA factor would increase above its current level of \$0.10626 per Ccf.

Case No. GR-2000-520, under which this PGA change was filed, was established to track the Company's PGA factors to be reviewed in its 1999-2000 ACA filing. Case No. GR-99-435 was established to address MPS's PGA factors to be reviewed in its 1998-1999 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-99-435 and GR-2000-520.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed this filing and has determined that, other than the requested waiver, it was calculated in conformance with MPS's Commission approved PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty days notice is demonstrated by MPS's Commission approved PGA clause allowing for ten (10) business days notice for PGA change filings. Staff has also reviewed MPS's requested waiver and recommends that MPS be granted the one-time waiver to maintain the Eastern System's unscheduled winter PGA factor through the coming summer season. Therefore, Staff recommends that the following tariff sheets requested to become effective on April 18, 2000, be approved interim, subject to refund:

P.S.C. MO. No. 5

18th Revised SHEET NO. 43 Cancelling 17th Revised SHEET NO. 43  
21st Revised SHEET NO. 44 Cancelling 20th Revised SHEET NO. 44

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             Dean L. Cooper- Attorney for MPS (Brydon Swearngen & England, PC)  
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