

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
March 14, 2000**

CASE NO: GR-99-178

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

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

James M. Fischer
101 W. McCarty, Ste. 215
Jefferson City, MO 65101

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

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 14th
day of March, 2000.

In the Matter of Southern Missouri Gas)
Company L.P.'s Tariff Revision Designed)
to be Reviewed in Its 1997-1998 Actual) Case No. GR-99-178
Cost Adjustment for the Missouri Service)
Area of the Company)

ORDER ESTABLISHING ACA BALANCE AND CLOSING CASE

This case was opened for the purpose of receiving the 1997-1998 Purchased Gas Adjustment (PGA) filings and Actual Cost Adjustment (ACA) filing of Southern Missouri Gas Company (SMGC). On July 30, 1999, the Procurement Analysis Department of the Staff of the Missouri Public Service Commission (Staff) filed a memorandum indicating that Staff had reviewed SMGC's 1997-1998 ACA filing. Staff stated that it audited the billed revenues and actual gas costs for the period of September 1997 to August 1998. Staff stated that effective August 1998 SMGC had approximately 5,840 customers on its system.

Staff addressed the following concerns in its memorandum regarding SMGC's ACA filing:

- Staff proposes to carry-forward an under-recovery balance of \$433,209 (\$360,090 + \$73,119) from the 1996-97 ACA filing, not the \$73,119 under-recovery balance filed by SMGC. This increases the cost of gas by \$360,090.
- Staff proposes to reduce the firm customers gas costs by \$3,992 because SMGC does not have tariff authority to recover agency fees as a gas cost in this ACA filing.

- Staff proposes to increase the cost of gas by \$485 to reflect carrying charges associated with SMGC's Deferred Carrying Cost Balance.
- To reflect the proper as billed revenues and as billed cost of gas, the Staff developed a modified revenue recovery and gas cost recovery (including all previous adjustments) to reflect an adjusted ACA balance of \$785,683. This includes a projected transportation cost of \$871,148.
- Staff proposes that Company include WNG refunds totaling \$133,409 in its next PGA filing, effective November 1999.

Staff made the following recommendations:

1. Adjust the Firm sales ACA balance by \$350,561 from the filed under-recovery balance of \$435,607 to the Staff adjusted under-recovery balance of \$786,168. The total adjustment should be included as a separate line item adjustment applied to the beginning 1998-99 ACA balance.
2. Adjust the refund balance by \$133,409 in the calculation of Company's refund factor. The adjustment should be reflected in the Company's next PGA filing, effective November 1999.

On October 21 and October 26, 1999, the Company filed a response to the Staff memorandum and indicated that SMGC concurs with Staff's recommendation.

The Commission has reviewed the filings, determines that the ending balances shown on Staff's recommendation are reasonable and should be approved. The Commission further determines that this case should be closed.

IT IS THEREFORE ORDERED:

1. That Southern Missouri Gas Company adjust the Actual Cost Adjustment account balances in its next Actual Cost Adjustment filing to reflect the following Staff adjustments and to reflect the (over)/under-

recovery ending Cost of Gas, Actual Cost Adjustment, Transportation Cost, Revenue Recovery, and Deferred Carrying Cost balances effective November 1, 1999:

Description	Beginning ACA Balance Per Filing	Staff Adjustments	Ending ACA Balance Per Staff
Cost of Gas	\$2,131,975	\$11,133	\$2,143,108
1996/97 ACA Balance	\$73,119	\$360,090	\$433,209
Transportation Cost	\$794,002	\$77,146	\$871,148
Revenue Recovery	\$2,563,489	\$98,293	\$2,661,782
DCCB	\$0	\$485	\$485
Total (Over)/Under Recovery	\$435,607	\$350,561	\$786,168

2. That this order shall become effective on March 24, 2000.
3. That this case may be closed on March 27, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Register, Regulatory Law Judge

Att/Secy:

Register/Secy

Date Circulated

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CASE NO.

Lumpke, Chair

Crumpton, Commissioner

Murray, Commissioner

Schemenauer, Commissioner

Drainer, Vice-Chair

3-14
Agenda Date

Action taken:

5-CAS

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 14th day of March 2000.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Handwritten initials