

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
September 28, 2001**

**CASE NO: GR-2001-388; GR-2001-39  
(consolidated)**

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

**Sincerely,**

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

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

# BEFORE THE PUBLIC SERVICE COMMISSION

## STATE OF MISSOURI

In the matter of Southern Missouri Gas )  
Company, L.P.'s Purchased Gas ) Case No. GR-2001-39  
Adjustment factors to be reviewed in its )  
1999-2000 Actual Cost Adjustment )

In the matter of Southern Missouri Gas )  
Company, L.P.'s Purchased Gas ) Case No. GR-2001-388  
Adjustment factors to be reviewed in its ) Tariff No. 200200201  
2000-2001 Actual Cost Adjustment )

(Consolidated)

### ORDER GRANTING VARIANCE

This order grants the motion filed on September 17, 2001, by Southern Missouri Gas Company, L.P., in case number GR-2001-388 under tariff number 200200201, with the Missouri Public Service Commission for variance from certain provisions of Southern Missouri's P.S.C. No. 1.

#### Southern Missouri's Motion

Southern Missouri's motion would permit it to file an unscheduled summer purchased gas adjustment (PGA) change, rather than delaying its next change in the PGA factor until its next scheduled winter filing.

Southern Missouri's motion contained the following points:

Simultaneously with the filing of its request for variance, Southern Missouri filed its revised PGA tariff (i.e., 10th Revised Sheet No. 27, canceling 9th Revised Sheet No. 27), which was designed to calculate the total PGA

amount to be recovered in the upcoming period. Southern Missouri also filed its supporting work papers, which supported the calculations of the revised PGA factors to be recovered this period under the PGA/Actual Cost Adjustment (ACA) process. Its filing represents an unscheduled summer PGA filing.

Because of recent reductions in natural gas prices, Southern Missouri believes that it is reasonable and appropriate to file an unscheduled summer PGA filing, reducing the cost of gas. If approved, its filing will: (1) give a more accurate price signal to consumers regarding the current cost of natural gas; and (2) help keep the deferred carrying cost balance (DCCB) and the ACA balances at appropriate levels so as to not create significant over-collections or under-collections that would need to be reflected in future periods. Southern Missouri also anticipates that the revised total PGA level will remain unchanged in its upcoming scheduled winter PGA filing in October, 2001.

Thus, in order to ensure that Southern Missouri's procedure is not in conflict with its tariffs, Southern Missouri requested the Commission to grant it a one-time variance from its tariffs to permit it to make an unscheduled summer PGA.

### **Staff's Recommendation**

On September 27, 2001, the Staff filed its recommendation regarding Southern Missouri's motion for variance. Staff's recommendation contained the following points:

The tariff sheet was filed to reflect unscheduled changes in Southern Missouri's PGA factors as the result of changes in the cost of natural gas for the remaining summer season. The summer season includes the months of April through October. In addition, its tariff filing reflects the termination of the unscheduled filing adjustment (UFA) factor and a change to the ACA factor. The net effect of the changes proposed by Southern Missouri will decrease the PGA factor to \$0.7160 per hundred cubic feet (Ccf) from the current PGA factor of \$0.8989 per Ccf. The firm PGA factor would decrease 20% under this proposal. This proposal would decrease a typical residential customer's bill by 2% when comparing the summer season with the rates that are currently in effect. Southern Missouri does not anticipate a PGA change in its scheduled winter filing in October, 2001.

Case number GR-2001-388, under which the change was filed, was established to track Southern Missouri's PGA factors to be reviewed in its 2000-2001 ACA filing. Additionally, case number GR-2001-39 was established to track Southern Missouri's PGA factors to be reviewed in its 1999-2000 ACA filing. Interim subject-to-refund status should be maintained pending final Commission decisions in case numbers GR-2001-39 and GR-2001-388.

The Commission's Energy Department--Tariffs/Rate Design Staff has reviewed the variance and agrees that the one-time variance request should be granted. Staff has also reviewed the PGA filing and has determined that, with the exception of the one-time variance request to file an unscheduled summer PGA changing the UFA, PGA, and ACA factors, Southern Missouri's filing was calculated in accordance with its 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 Southern Missouri's Commission-approved PGA clause, allowing for ten business days notice for PGA change filings. Therefore, Staff recommends that the Commission grant the approval of the tariff sheet and variance, interim subject to refund.

#### **Findings of Fact and Conclusions of Law**

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

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

The Commission finds that Southern Missouri 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 Southern Missouri's tariff cited above. The Commission further finds that the good cause for approval of this tariff sheet on less than thirty-days notice is demonstrated

by Southern Missouri's Commission-approved PGA clause, allowing for ten business days notice for PGA change filings.

**IT IS THEREFORE ORDERED:**

1. That the Missouri Public Service Commission grants Southern Missouri Gas Company, L.P. a variance from the following tariff, filed under tariff number 200200201:

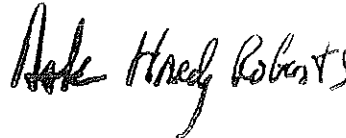
**P.S.C. MO. No. 1**

**10th Revised Sheet No. 27, Canceling 9th Revised Sheet No. 27**

2. That the interim rates, subject to refund, should be maintained pending final Missouri Public Service Commission decisions in case numbers GR-2001-39 and GR-2001-388.

3. That this order will become effective on September 30, 2001.

**BY THE COMMISSION**



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

( S E A L )

Bill Hopkins, Senior Regulatory Law Judge,  
by delegation of authority under  
Section 386.240, RSMo 2000.

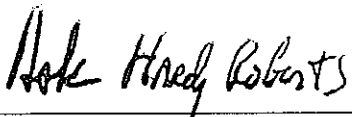
Dated at Jefferson City, Missouri,  
on this 28th day of September, 2001.

**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 28<sup>th</sup> day of Sept. 2001.

  
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Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge