



Commissioners  
KELVIN L. SIMMONS  
Chair  
CONNIE MURRAY  
SHEILA LUMPE  
STEVE GAW

## Missouri Public Service Commission

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September 27, 2001

ROBERT J. QUINN, JR.  
Executive Director  
WESS A. HENDERSON  
Director, Utility Operations  
ROBERT SCHALLENBERG  
Director, Utility Services  
DONNA M. KOLILIS  
Director, Administration  
DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge  
DANA K. JOYCE  
General Counsel

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

FILED<sup>3</sup>

SEP 27 2001

Missouri Public  
Service Commission

**RE: Case No. GR-2001-388/GR-2001-39**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Robert V. Franson  
Associate General Counsel  
(573) 751-6651  
(573) 751-9285 (Fax)  
[rfranson@mail.state.mo.us](mailto:rfranson@mail.state.mo.us)

RVF:ccl  
Enclosure  
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

**FILED**<sup>3</sup>  
SEP 27 2001

Missouri Public  
Service Commission

In the matter of Southern Missouri Gas     )  
Company, L.P.'s Purchased Gas             )  
Adjustment factors to be reviewed in its     )  
1999-2000 Actual Cost Adjustment           )

Case No. GR-2001-39

In the matter of Southern Missouri Gas     )  
Company, L.P.'s Purchased Gas             )  
Adjustment factors to be reviewed in its     )  
2000-2001 Actual Cost Adjustment           )

Case No. GR-2001-388

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") in the above-captioned matter and for its recommendation states as follows:

1. On September 17, 2000, Southern Missouri Gas Company, L.P. (Company) filed a "Request For Variance From Tariff Provisions" and a tariff sheet with a proposed effective date of October 1, 2001. The Company filed the tariff to reflect unscheduled changes in the Company's Purchased Gas Adjustment (PGA) due to changes in the cost of natural gas for the remaining summer season. The Company also seeks a one-time waiver from the PGA Clause due to recent reductions in natural gas prices since its scheduled summer filing.

2. Staff has reviewed the Application, and recommends that the one-time Variance Request be granted. Staff has reviewed the PGA filing and has determined, with the exception of the one-time Variance Request to file an unscheduled summer PGA changing the UFA, PGA and ACA factors, that this filing was calculated in accordance with the Company's approved PGA clause. The recommendation of the Gas Department – Tariffs/Rate Design Staff is attached

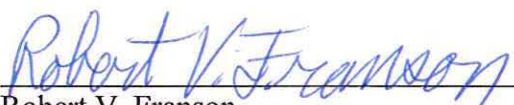
27

as Attachment A hereto. Staff also recommends that the rates be interim, subject to refund. Staff further recommends that good cause for approval on less than thirty days notice has been demonstrated.

WHEREFORE, the Staff recommends that the Commission approve the proposed tariff sheet and Variance, interim, subject to refund.

Respectfully submitted,

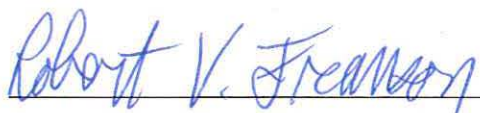
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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 27<sup>th</sup> day of September 2001.

  
Robert V. Franson

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2001-388, File No. 200200201,  
Southern Missouri Gas Company, L.P.

FROM: *K.E. JMS*  
Kim J. Elvington, Energy Department - Tariffs/Rate Design

*Thomas M. Ambuff 9/26/01*  
Project Coordinator/Date

*Thomas R. Schwary Jr. 9/26/01*  
General Counsel's Office/Date

SUBJECT: Staff Recommendation For Southern Missouri Gas Company, L.P.'s  
Request for a One-Time Variance and an Unscheduled Summer Season  
Filing Effective October 1, 2001.

DATE: September 26, 2001

On September 17, 2001, Southern Missouri Gas Company, L.P. (SMGC or Company) of Mountain Grove, Missouri, filed a tariff sheet with a proposed effective date of October 1, 2001 and a REQUEST FOR VARIANCE FROM TARIFF PROVISIONS (Variance). The tariff sheet was filed to reflect unscheduled changes in SMGC's Purchased Gas Adjustment (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, this tariff filing reflects the termination of the Unscheduled Filing Adjustment Factor (UFA) and a change to the Actual Cost Adjustment (ACA) factor. The Variance was filed to allow the Company to file an unscheduled summer PGA to reflect these changes.

The Variance filed in conjunction with the unscheduled filing requests a one-time waiver from the PGA Clause of SMGC's tariffs due to recent reductions in the market price of natural gas since its scheduled summer filing. In addition, SMGC cites the following two reasons for approval of this one-time waiver:

- 1.) To provide a more accurate price signal to consumers regarding the current cost of natural gas; and
- 2.) To help keep the DCCB and the ACA balances at appropriate levels and not create over-collections or under-collections that would need to be reflected in future periods.

The net effect of these changes 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. SMGC does not anticipate a PGA change in its scheduled winter filing in October, 2001.



MO PSC Case No. GR-2001-388  
OFFICIAL CASE FILE MEMORANDUM  
PAGE 2 OF 2

Case No. GR-2001-388, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 2000-2001 ACA filing. Additionally, Case No. GR-2001-39 was established to track SMGC'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 Nos. GR-2001-39 and GR-2001-388.

The Commission's Energy Department - Tariffs/Rate Design Staff (Staff) has reviewed the Variance and agrees that the one-time Variance request 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, this filing was calculated in accordance with SMGC's 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 SMGC's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the Commission grant the approval of the following tariff sheet and Variance, interim subject to refund:

P.S.C. MO. No. 1

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

Copies: Director - Utility Operations Division  
Director - Research and Public Affairs Division  
Director - Utility Services Division  
General Counsel  
Manager - Financial Analysis Department  
Manager - Procurement Analysis Department  
Manager - Energy Department  
James M. Fischer - Attorney for SMGC (Fischer & Dority, P.C.)  
Scott Klemm - Vice President (SMGC)  
Office of the Public Counsel

**SUMMER SEASON**  
 Approximate Billing Impact Of 312 Ccf per Summer Season  
 Southern Mo. Gas  
 Residential Heating Customer

	Summer Season (Months)	Ccf Usage	Total Fuel Bill (\$)
>	April 2001	96	130.57
>	May	53	76.56
>	June	36	55.21
>	July	28	45.17
>	August	27	43.91
>	September	30	47.68
>	October	42	62.75
	<b>5 Month Summer Season Total</b>	<b>312.0</b>	<b>\$461.85</b>

	Forecasted Summer Season (Months)	Ccf Usage	Total Fuel Bill (\$)
>	April 2001	96	130.57
>	May	53	76.56
>	June	36	55.21
>	July	28	45.17
>	August	27	43.91
>	September	30	47.68
#	October	42	55.07
	<b>5 Month Summer Season Total</b>	<b>312.0</b>	<b>\$454.17</b>

**REMARKS**

For a typical residential customer using approximately 312 Ccf's during the summer season (April October), natural gas rates will decrease by \$7.68 or approximately 2% when comparing the fuel bills for the current summer season before and after the unscheduled summer filing.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 1: Customer Charge \$10.00; Energy Charge \$0.307 per Ccf
- > Tariff Sheet No. 27, 9th Revised PGA Charge \$0.8989 per Ccf
- # Tariff Sheet No. 27, 10th Revised: PGA Charge \$0.7160 per Ccf

**Missouri Public Service Commission**  
 Sept. 01

**Southern Missouri Gas Company, L.P.**  
**2001 Summer Season Revenue Impact from 09/17/01 Filing**

Month	PGA Factor	Month	PGA Factor	PGA Change (10/01/01)	Revenue Impact Summer Season
April 2001	0.8989	April 2001	0.8989	0.00000	0
May	0.8989	May	0.8989	0.00000	0
Jun	0.8989	Jun	0.8989	0.00000	0
Jul	0.8989	Jul	0.8989	0.00000	0
Aug	0.8989	Aug	0.8989	0.00000	0
Sep	0.8989	Sep	0.8989	0.00000	0
Oct	0.8989	Oct	0.7160	(0.18290)	(115,364)

Estimated Seasonal Sales Volume (SMGC Workpapers: File No. 200200201)

4,672,200 Ccf

**Summer Season Revenue Change:**

**(\$115,364) Decrease**

- 1) Docket GR-2001-388
- 2) File No. 200200201
- 3) Prepared By. Kim J. Elvington
- 4) Date Prepared: 09/24/01

Month	Estimated Customer Usage Ccf/Month	Estimated % Ccf / Summer Season	Estimated Company Sales Ccf/Month
April	96	31%	1,439,038
May	53	17%	794,274
Jun	36	12%	537,303
Jul	28	9%	420,498
Aug	27	9%	406,481
Sep	30	10%	448,531
Oct	42	14%	630,747
TOTAL	312	100%	4,676,872

**Service List for**  
**Case No. GR-2001-388/GR-2001-39**  
**Verified: September 27, 2001 (ccl)**

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