

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 6th
day of March, 1992.

In the matter of Greeley Gas Company)	
for authority to file a tariff reflecting)	
a change in rates to be reviewed in its)	<u>Case No. GR-91-152</u>
1990-1991 ACA filing.)	

ORDER APPROVING RATES AND CLOSING DOCKET

On July 1, 1991, Greeley Gas Company (Company) submitted a tariff reflecting an increase in rates due to a recalculation of the actual cost adjustment (ACA) factor and the refund factor. The changes in the tariff increased the PGA factor by \$0.1603 per Ccf to \$0.3160 per Ccf. On July 31, 1991, the Commission issued an order approving the rates on an interim basis to become effective on and after the requested effective date of August 1, 1991. Additionally, the Commission ordered the Missouri Public Service Commission Staff (Staff) to submit the results of its review of the data filed in this proceeding on or before February 1, 1992.

The Company is a distributor (LDC) of natural gas. The wholesale gas costs incurred by the Company change periodically as a result of the Federal Energy Regulatory Commission's (FERC) authorized changes in wholesale rates. To reflect these changes, the Commission has approved a Purchase Gas Adjustment (PGA) clause for Company which allows for interim rate changes subject to refund throughout the Company's revenue year. The Actual Cost Adjustment (ACA) account for the Company tracks the overcollection and undercollection of gas costs during the course of the Company's revenue year. In September of each year, the net balances are cleared and distributed over the following twelve-month period.

On February 3, 1992, Staff filed its recommendation in this proceeding. Staff recommends (1) that \$1,866 be included as a separate line item adjustment applied to the beginning 1991-1992 ACA balance; (2) that Company's filing be approved and no longer be interim subject to refund; and (3) that this case be closed. In support of its recommendation, Staff states that upon review of the take-or-pay cost allocations, it was discovered that Company had inappropriately assigned an allocation percentage of one of the areas included within the Company's Eastern Kansas Division to the Rich Hill-Hume (Missouri) Division. The adjustment necessary to correct the error results in a decrease of \$1,866 to Missouri customers. Staff states that Company has agreed to this adjustment.

Additionally, Staff states the prudence of Company's gas purchase decisions related to the Rich Hill-Hume district was reviewed. Under the current sales service agreement with Williams Natural Gas Company (Williams), Greeley was entitled to convert up to 43% of its annual entitlement on November 1, 1990. Staff states Company exercised its full conversion rights to take advantage of lower gas costs to its non-pipeline suppliers and to avoid losing customers to propane service. Staff also asserts that Company maintains that its non-pipeline suppliers are dependable, reliable and competitive and that Greeley has had no failure of supply from any of its suppliers. Staff made no adjustments to the refund factor used in this proceeding.

The Commission finds that Staff's recommendation is reasonable and that the tariffs filed by Company should be approved on a permanent basis as it reflects the actual cost of gas purchased. Furthermore, the Commission finds that \$1,866 should be included as a separate line item adjustment to be applied to the beginning 1991-1992 ACA balance as this reflects an adjustment made to correct an inappropriate assignment of an allocation percentage to the Rich Hill-

Hume Division. The Commission finds that since all matters at issue in this proceeding have been resolved, the case should be closed.

IT IS THEREFORE ORDERED:

1. That the following tariff sheet submitted by Greeley Gas Company of Denver, Colorado, for the purpose of reflecting a recalculation of the Actual Cost Adjustment factor and the refund factor be, and it is, hereby approved on a permanent basis.

P.S.C. Mo. No. 1

Twentieth Revised Sheet No. 6 cancelling Nineteenth Revised Sheet No. 6

2. That \$1,866 be included as a separate line item adjustment to be applied to the beginning 1991-1992 ACA balance.

3. That this docket be hereby closed.

4. That this order shall become effective on March 17, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Perkins
and Kincheloe, CC., Concur.
Rauch, C., Absent.