

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
December 6, 2000**

**CASE NO: GR-99-435**


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

Sincerely,



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

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of Missouri Public Services' )	
Purchased Gas Adjustment Factors to be )	
Audited in its 1998-1999 Actual Cost )	<u>Case No. GR-99-435</u>
Adjustment )	

**ORDER SCHEDULING A PREHEARING CONFERENCE AND**  
**DIRECTING THE PARTIES TO FILE A PROCEDURAL SCHEDULE**

This case was opened for the purpose of receiving the 1998-1999 Purchased Gas Adjustment filings and Actual Cost Adjustment filing of Missouri Public Service, a division of UtiliCorp United Inc. (MPS). On September 1, 2000, the Staff of the Public Service Commission (Staff) filed a recommendation and memorandum. Staff indicated its disagreement with MPS' methodology for pricing imbalances and recommended that MPS adopt changes to its accounting methodology for pipeline imbalances that would increase costs by \$11,611 on the Eastern System, reduce gas costs by \$12,089 on the Northern System and reduce gas costs on the Southern System by \$5,555. Staff also recommended that the cost of gas on the Northern System be reduced by \$13,500 because of a disallowance of Panhandle Eastern Pipeline Company (PEPL) demand costs. In addition to the proposed revisions to the cost of gas, Staff proposed that MPS be directed to address certain reliability issues.

MPS filed its Response to Staff's Recommendation on October 5. The Commission directed Staff to respond to MPS's response and Staff did so on October 23. Staff's response indicates that Staff and MPS agree on the \$13,500 disallowance of the PEPL demand costs for the Northern System. Staff also indicates that MPS and Staff have agreed upon a resolution to

the reliability issues raised by Staff. However, Staff indicated that it is discussing alternative methods of pricing pipeline imbalances with MPS and has not yet finalized an adjustment. In addition, Staff recommends that this case be held open pending an investigation into various issues related to UtiliCorp United Inc.'s Gas Supply Services Department. That investigation is proceeding in Case No. GO-2001-249. Staff recommends that the Commission issue an order that would order the disallowance of the PEPL demand costs but would not order any other adjustments pending resolution of the dispute regarding pricing methodology for pipeline imbalances. MPS did not file a response to Staff's response.

The Commission will not issue an order that resolves only some of the issues in this case while leaving other issues unresolved. Instead, since the parties have not been able to reach a complete agreement, the Commission will direct the parties to submit a proposed procedural schedule leading to a hearing at which all issues may be decided. In order to assist with the development of the procedural schedule, the Commission will schedule a prehearing conference.


**IT IS THEREFORE ORDERED:**

1. That an early prehearing conference shall be held on January 16, 2001, beginning at 10:00 a.m. The prehearing conference shall be held at the Commission's offices at the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. This hearing will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or 1-800-829-7541 (TDD) prior to the hearing.

2. That the parties shall file a proposed procedural schedule no later than January 23, 2001. The procedural schedule shall include dates for the filing of testimony and a hearing.

3. That this order shall become effective on December 16, 2000.

**BY THE COMMISSION**



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

( S E A L )

Morris L. Woodruff, Senior Regulatory Law  
Judge, by delegation of authority  
pursuant to Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,  
on this 6th day of December, 2000.

**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 6<sup>th</sup> day of December 2000.**

*Dale Hardy Roberts*

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

