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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Greeley Gas Company's)
Purchased Gas Adjustment Tariff to be)
Reviewed in Its 1998-1999 Actual Cost)
Adjustment.)
Case No. GR-99-197

ORDER DIRECTING RESPONSE

This case was opened for the purpose of receiving the 1997-98 Purchased Gas Adjustment filings and Actual Cost Adjustment filing of Greeley Gas Company (Greeley) for its Southwest Missouri District. On April 29, 1999, the Procurement Analysis Department of the Staff of the Public Service Commission (Staff) filed a memorandum indicating that Staff has reviewed the 1997-1998 Actual Cost Adjustment (ACA) filing of Greeley. Staff stated that it audited the billed revenues and actual gas costs for the period of June 1997 to May 1998, included in the Company's computation of the ACA rate.

Staff proposes the following:

1. That Greeley reduce gas costs by \$4,621 to eliminate state line fees that are not allowed in Missouri;
2. That Greeley apply the proper Williams Natural Gas storage and transportation charges (and allocation rates) which reduces the cost of gas by \$17,934 (\$17,702 + \$232);

3. That Greeley adopt Staff's revised storage inventory schedule which results in increased injections and reduced gas costs of \$6,624;
4. That Greeley reflect the proper Take-or-Pay/Transition costs for the month of June, 1997, which increases the cost of gas by \$477;
5. That, as Greeley's tariffs do not allow for recovery of fees related to agency agreements, all agency agreements entered into with a marketing company be reviewed in the context of a general rate case and therefore, not recovered as a gas cost.

Staff recommends that the Commission issue an order requiring Greeley to adjust the ACA balance in its next ACA filing by \$28,702, from \$3,453 under-recovery balance to \$25,249 over-recovery balance to reflect the adjustments set out in the following table:

	Balance per Greeley Filing	Staff Adjustments	ACA Balance Per Staff
Prior ACA Balance	\$19,356	\$0	\$19,356
Revenue Recovery	\$167,726	\$0	\$167,726
Take or Pay/Transition Cost	\$17,785	\$477	\$18,262
State Line Fees	\$4,621	\$(4,621)	\$0
Williams Storage & Transportation	\$40,972	\$(17,934)	\$23,038
Williams Gas & Storage Inj.-With.	\$127,157	\$(6,624)	\$120,533
Total (Under)/Over-Recovery	\$(3,453)	\$(28,702)	\$25,249

Staff further recommends that the Commission order Greeley to respond to Staff's recommendation within thirty days.

The Commission has reviewed the memorandum filed by Staff and determines that Greeley shall file a response to Staff's recommendation.

IT IS THEREFORE ORDERED:

1. That Greeley Gas Company shall file a response to the recommendation of the Staff of the Commission no later than June 4, 1999.
2. That this order shall become effective on May 10, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Morris L. Woodruff, Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1),
(November 30, 1995) and Section 386.240,
RSMo 1994.

Dated at Jefferson City, Missouri,
on this 5th day of May, 1999.

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION