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At a Session of the Public Service
Commission held at its office
in Jefferson City on the 9th
day of April, 1998.

In the matter of Missouri Public Service's)
Purchased Gas Adjustment factors to be reviewed) Case No. GR-98-421
in its 1997-1998 Actual Cost Adjustment.)

ORDER APPROVING INTERIM RATES

Missouri Public Service (MPS or Company) of Kansas City, Missouri, submitted tariff sheets to the Commission on April 2, 1998, carrying an effective date of April 15, 1998. The tariff sheets were filed to reflect scheduled changes in MPS's Purchased Gas Adjustment (PGA) factors as the result of changes in the cost of natural gas for the upcoming summer season. The summer season includes the months of April through October.

The effect of these changes for the area served by the Southern System will decrease the firm PGA factor for the summer season to \$0.36455 per Ccf from a winter season firm PGA factor of \$0.45147 per Ccf. This represents an approximate 19% reduction in gas costs to consumers.

The effect of these changes for the area served by the Northern System will decrease the firm PGA factor for the summer season to \$0.36602 per Ccf from a winter season firm PGA factor of \$0.43187 per Ccf. This represents an approximate 15% reduction in gas costs to consumers.

The effect of these changes for the area served by the Eastern System will decrease the firm PGA factor for the summer season to \$0.54236 per Ccf from a winter season firm PGA factor of \$0.54457 per Ccf. This represents an approximate 0.4% reduction in gas costs to consumers.

The Staff of the Commission (Staff) filed a memorandum stating that the changes in MPS's PGA were calculated in conformance with the Company's approved PGA Clause and recommends that the Commission approve the tariff sheets to become effective on April 15, 1998. Staff stated that MPS's PGA Clause allows for ten (10) business days notice for filings reflecting PGA changes. Staff recommends that the Commission approve the tariff sheets to become effective April 15, 1998, on an interim basis,

subject to refund, pending final Commission decisions in MPS's ACA Case Nos. GR-95-273, GR-96-192, GR-97-298, and GR-98-421.

The Commission has reviewed the tariff sheets and Staff's recommendation, and finds that the tariff sheets conform to the Company's Commission approved PGA Clause and are therefore reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission finds that the proposed tariff sheets should be approved to become effective on and after the requested effective date of April 15, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheets submitted on April 2, 1998, by Missouri Public Service of Kansas City, Missouri, are approved on an interim basis, subject to refund, to become effective on April 15, 1998. The tariff sheets approved are:

P.S.C. MO. No. 5

14th Revised SHEET No. 43, Cancelling 13th Revised SHEET No. 43
17th Revised SHEET No. 44, Cancelling 16th Revised SHEET No. 44
7th Revised SHEET No. 44.1, Cancelling 6th Revised SHEET No. 44.1

2. That this order shall become effective on April 15, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer, and Drainer, CC., concur

George, Regulatory Law Judge