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April 4, 2002

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WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
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

RE: Case No. GR-99-435

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of **STAFF'S SUGGESTIONS IN SUPPORT OF UNANIMOUS STIPULATION AND AGREEMENT.**

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
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rfranson@mail.state.mo.us

RVF:ccl
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION **APR 04 2002**
OF THE STATE OF MISSOURI

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

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Suggestions in Support of Unanimous Stipulation and Agreement respectfully submits as follows:

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Southern System and \$49,119 for the Northern System. MPS had proposed a cost reduction of \$23,678 on the Southern System and none on the Northern System.

8. As a result of discussions, the Parties reached a resolution and settlement of these two issues, which they believe to be reasonable and beneficial to ratepayers in this case and recommend the Commission approve as being in the public interest.

9. The Parties agreed that for imbalances MPS will use a current month approach to pricing imbalances whereby the current month index price is applied to the current month imbalance. Staff believes that this will insure that the prior month imbalance dollars plus current month imbalance dollars are accounted for in the weighted average cost of gas calculation. Staff believes that the current month approach is the proper approach. As a result, the Parties agreed that the cost of gas to the Eastern System shall be reduced by \$4,860, the cost of gas to the Northern System shall be reduced by \$13,788 and the cost of gas to the Southern System shall be increased by \$2,763. Staff believes that the resolution of the imbalance issue is in the public interest and should be approved by the Commission.

10. The other issue resolved among the Parties was an adjustment to increase (Put/call premium) revenue recovery. Staff had proposed an adjustment to increase (Put/call premium) revenue recovery by \$33,957 for the Southern System and \$49,119 for the Northern System. MPS had proposed a cost reduction of \$23,678 on the Southern System and none on the Northern System. The Parties agreed that revenue recovery on MPS's Southern System shall be increased by \$28,818 and revenue recovery for MPS's Northern System shall be increased by \$24,560. These adjustments represent the compromise of a disputed issue among the Parties and do not affect any other matters. Staff and the other Parties expressly agreed that this Stipulation and Agreement only resolves this case. It does not affect the ability of Staff and the other parties

to assert different positions or methodologies in other cases. It merely sets the Beginning ACA Balances and Ending ACA Balances in this case as set forth in Appendix A to the Unanimous Stipulation and Agreement.

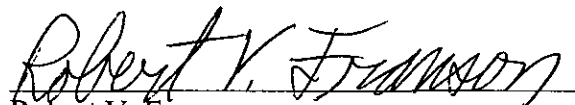
11. Staff believes that this resolution of the case being presented to the Commission is appropriate and in the public interest because it resolves rather small numerical differences between the parties and thereby avoids protracted litigation. It also preserves the rights of Staff and the other Parties to take whatever position each Party deems appropriate in future ACAs.

CONCLUSION

WHEREFORE, the Staff respectfully submits its Suggestions in Support of the Unanimous Stipulation and Agreement entered into by MPS, OPC and Staff, and filed in this case on March 28, 2002.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Robert V. Franson
Associate General Counsel
Missouri Bar No. 34643

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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 4th day of April, 2002.

Robert V. Freeman

Service List for
Case No. GR-99-435
Revised: April 4, 2002 (ccl)

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