

MEMORANDUM

FILED
SEP 28 1988
PUBLIC SERVICE COMMISSION

TO: Official Case File, Case No.
FROM: Craig A. Jones, Gas Dept. *CAJ:wt 6/11*
SUBJECT: Staff's Recommendation on Union Electric Company's PGA Changes
(File No. 8900141)
DATE: September 21, 1988

Reviewed by: *[Signature]* 9-23-88
Director of Utilities/date

[Signature] 9/25/88
General Counsel/date

The purpose of this filing submitted September 20, 1988, and proposed to be effective October 1, 1988, is to reflect changes in the PGA factors for all of the Company's Missouri service areas. The wholesale suppliers in two of the three areas have changed the wholesale rates charged the Company.

The area served by Panhandle Eastern Pipe Line Company (PEPL) will experience a net increase in rates resulting from the termination of a refund started November 1, 1987. Annualized revenues will increase by approximately \$62,000.

The impact of this change on an average residential space heating customer in the area served by PEPL, consuming 1200 Ccf per year (average of 100 Ccf per month), will be an increase of approximately \$0.07 per month or \$0.84 per year. This represents an approximate increase of 0.1% in this customer's bill.

The area served by Texas Eastern Transmission Corporation (TETC) will experience a net increase in rates due primarily to a rate case before the FERC at Docket No. RP88-67. Annualized gas costs will increase by approximately \$421,000 in this district.

The impact of this change on an average residential space heating customer in the area served by TETC, consuming 1200 Ccf per year (average of 100 ccf per month), will be an increase of approximately \$1.54 per month or \$18.48 per year. This represents an approximate increase of 3.2% in this customer's bill.

The area served by Natural Gas Pipeline Company of America (NGPC) will experience an increase in rates as the result of NGPC flowing through increased purchased gas costs. Annualized gas costs will increase by approximately \$11,700 in this area.

The impact of this change on an average residential space heating customer in the area served by NGPC, consuming 1200 Ccf per year (average of 100 Ccf per month), will be an increase of approximately \$0.61 per month or \$7.32 per year. This represents an approximate increase of 1.7% in this customer's bill.

On August 22, 1988, Union Electric Company filed a PGA filing proposal to change its Actual Cost Adjustment factors. Staff requested that the filing be approved on an interim basis in order to allow Staff more time to complete its review of the information submitted in the filing. Staff is of the opinion that any subsequent filing, if approved, should also be approved on an interim basis until Staff can

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make its recommendation on or before November 30, 1988. Therefore, Staff recommends that the proposed tariff be allowed to become effective on an interim basis subject to a Commission determination on the results and recommendation of the Staff's audit relating to the August 22, 1988, filing.

In Staff's opinion, good cause for approval of the tariff on less than thirty (30) days notice is demonstrated by the Company's Commission-approved PGA Clause allowing for ten (10) days notice for PGA change filings.

/lm

cc Gordon Persinger
Doug Walther
Gene Fee
Bill Warwick
Public Counsel
Bo Matisziw