

**FILED**

**NOV 30 1988**

**MEMORANDUM**

**PUBLIC SERVICE COMMISSION**

**TO:** Official Case File, Case No. GR-89-70

**FROM:** Craig A. Jones, Gas Dept. *fm*

**SUBJECT:** Staff's Recommendation on Union Electric Company's PGA Changes  
(File #8900235)

**DATE:** November 28, 1988

**Reviewed by:** *G.P. Dan Ross 11/28/88*  
Director of Utilities/date

*Douglas C. Walcher 11/29/88*  
General Counsel/date

The purpose of this filing, submitted November 21, 1988, and proposed to be effective December 1, 1988, is to reflect a change 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 charges the Company.

The area served by Panhandle Eastern Pipe Line Company (PEPL) will experience a decrease in rates resulting from PEPL passing along lower gas costs. Annualized revenues will decrease by approximately \$1.4 million.

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 a decrease of approximately \$1.25 per month or \$15.00 per year. This represents an approximate decrease of 2.0% in this customer's bill.

The area served by Texas Eastern Transmission Corporation (TETC) will experience a net increase in rates due primarily to the termination of two refunds started January 1, 1988, and February 1, 1988. Annualized revenues will increase by approximately \$3,600 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 \$0.02 per month or \$0.24 per year. This represents an approximate increase of 0.04% 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 FERC-authorized increased purchased gas costs. Annualized gas costs will increase by approximately \$101,000 in this area, which is an increase in annualized revenues in excess of 7.0%.

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 \$5.29 per month or \$63.48 per year. This represents an approximate increase of 14.5% 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

Memorandum  
Page 2

information submitted in the filing. In an attached memo, the Accounting Staff has indicated that, at this time, additional items need to be researched and they have requested additional time to perform the additional research. It has been requested that the date Staff's recommendation is due be extended from November 30, 1988, to January 30, 1989.

Staff is of the opinion that any subsequent filing, if approved, should also be approved on an interim basis until Staff can make its recommendation. 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