

MEMORANDUM

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

FROM: Craig A. Jones, Gas Dept. *CAS [signature]*

SUBJECT: Staff's Recommendation on Union Electric Company's PGA Changes
(File #8900307)

DATE: January 26, 1989

Reviewed *[Signature]* 1/30/89
Director of Utilities/date

[Signature] 1/30/89
General Counsel/date

The purpose of this filing, submitted January 19, 1989, and proposed to be effective February 1, 1989, is to reflect a regular PGA factor change in one of the Company's Missouri service areas and a refund change in the other two Missouri service areas.

The area served by Panhandle Eastern Pipe Line Company (PEPL) will experience a slight increase in rates due to the termination of a refund started January, 1988. The refund was approximately \$11,700 and its termination will result in an average residential space heating customer in this service area using 100 Ccf per month realizing a \$0.01 per month increase. The area served by PEPL includes towns such as Columbia, Jefferson City, Mexico, and Wentzville.

The area served by Texas Eastern Transmission Corporation (TETC), which includes the town of Cape Girardeau, will experience a net increase in rates due primarily to a FERC authorized pass through of increased gas costs. Annualized gas costs will increase by approximately \$723,000 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 \$2.56 per month or \$30.72 per year. This represents an approximate increase of 4.9% in this customer's bill.

In the area served by Natural Gas Pipeline Company of America (NGPC), rates will decrease due to the start of a new refund. The refund totals \$342.58 with interest added by Company. An average residential space heating customer using approximately 100 Ccf per month will experience a \$0.02 per month decrease in rates. This area serves towns including Advance and Fisk.

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 has completed its review of the related information and recommends that the tariffs approved to become effective September 1, 1988, in Gas Authority Order No. 1586, and in four subsequent filings effective October 1, 1988, November 1, 1988, December 1, 1988, and January 1, 1989, respectively, on an interim basis, be made permanent.

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PUBLIC SERVICE COMMISSION

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Staff has reviewed this filing and has no objections to approving the tariffs proposed herein containing an effective date of February 1, 1989. In Staff's opinion, good cause for approval of the tariffs 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.

An Order Approving Permanent Rates is attached for your consideration.

/lm

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