

MEMORANDUM

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

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

SUBJECT: Staff's Recommendation on Union Electric Company's PGA Changes  
(File #8900273)

DATE: December 27, 1988

Reviewed by:

*Robert Johnson* 12/28/88  
Director of Utilities/date

*Douglas Walder* 12/28/88  
General Counsel/date

The purpose of this filing, submitted December 20, 1988, and proposed to be effective January 1, 1989, is to reflect a change in the PGA factors for two of the Company's Missouri service areas. The wholesale suppliers in both areas have changed the wholesale rates charged the Company and a new refund was started in one of the areas.

The area served by Texas Eastern Transmission Corporation (TETC), which includes the town of Cape Girardeau, will experience an increase in rates due primarily to a FERC authorized pass through of increased gas costs. Annualized revenues will increase by approximately \$85,000 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 \$0.40 per month or \$4.80 per year. This represents an approximate increase of 0.8% in this customer's bill.

The area served by Natural Gas Pipeline Company of America (NGPC), which includes the towns of Advance and Fisk, will experience an increase in rates as the combined result of NGPC flowing through FERC-authorized increased purchased gas costs and the start of a new refund. Annualized gas costs will increase by approximately \$123,000 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 \$1.55 per month or \$18.60 per year. This represents an approximate increase of 3.7% 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 make its recommendation on or before January 30, 1989. 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 approved on an interim basis in Gas Authority Order No. 1586.

FILED

DEC 30 1988

PUBLIC SERVICE COMMISSION

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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.

Attached is an Order Approving Interim Rates Effective January 1, 1989, for your consideration.

/lm

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