

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
August 29, 2000**

CASE NO: GT-2001-61

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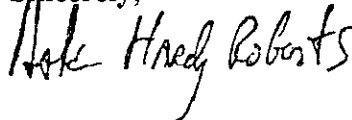
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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 29th
day of August, 2000.

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|---|---|----------------------------|
| In the Matter of Missouri Public Service, |) | |
| a Division of UtiliCorp United Inc.'s |) | |
| Tariff Designed to Establish an |) | <u>Case No. GT-2001-61</u> |
| Experimental Small Volume Aggregation |) | Tariff No. 200100065 |
| Program in Missouri |) | |

**ORDER DENYING MOTION TO SUSPEND, DENYING APPLICATION TO
INTERVENE, AND APPROVING TARIFF**

On July 20, 2000, Missouri Public Service, a Division of UtiliCorp United Inc., (MPS) issued a proposed tariff carrying an effective date of September 1. MPS' tariff would establish an experimental small volume customer aggregation program. MPS filed substitute tariff sheets on August 8, 11 and 28. On August 1, the Office of the Public Counsel (Public Counsel) filed a Motion to Suspend and Request for Establishment of Procedural Schedule and Hearing. On August 3, the Commission issued a notice directing that all interested parties wishing to respond to Public Counsel's request to suspend, do so on or before August 11. On August 11, MPS filed its response to Public Counsel's Motion. The Staff of the Public Service Commission (Staff) also filed a response to Public Counsel's Motion on August 11. As part of its response, Staff recommended that the Commission approve the tariff proposed by MPS. Also on August 11, the Missouri Purchasing Resource Center - Energy Consortium (MOPRC-EC) filed an application in which it sought to intervene in support of MPS' tariff. On August 21, Mountain Energy Corporation (Mountain Energy) filed an application to intervene. On August 22, Public Counsel filed a reply to MPS's response to Public Counsel's motion to suspend. Because the

Commission wanted to hear the responses of MPS and Staff to the latest allegations made by Public Counsel and Mountain Energy, the Commission issued an Order Directing Response on August 24. That order directed MPS and Staff to file additional responses no later than August 28. MPS and Staff filed their responses on August 28.

Public Counsel asks the Commission to suspend MPS' tariff because it has various concerns about the tariff. In particular, Public Counsel argues as follows:

A. The proposal does not have adequate provisions to protect from harm residential customers who are not eligible for the program and other small customers who do not choose to take advantage of the aggregation option;

B. The program does not create a level playing field among potential new gas suppliers, including the distribution company's gas marketing affiliate;

C. The proposed tariff, and other documents that will be used to implement the program lack sufficient clarity and internal consistency to ensure that the program would operate in the manner intended;

D. The program does not have sufficient protections for small unsophisticated consumers that are choosing a competitive gas supplier for the first time;

E. Key documents that are referenced in the proposed tariff and contain important terms and conditions for implementing the program should be included as part of the tariff that implements the proposed program;

F. The proposed tariff contains numerous new charges to aggregators and end users that need to be analyzed to determine MPS' cost basis for the proposed charges and to ensure that the company is not attempting to put rates in place for new or modified services without the consideration of all relevant factors; and

G. The proposed tariff lacks crucial elements of reporting requirements and an evaluation plan that would be necessary to determine whether and how the program should be continued at the end of the experimental period.

MPS responded in detail to Public Counsel's criticisms of the tariff. MPS emphasized that this is a voluntary, two-year, experimental program that will involve only a small portion of MPS' customers and a small percentage of the natural gas supplied by MPS. Staff's response indicates that MPS, an interested potential end-user, Staff, and Public Counsel have met on several occasions over the past year to discuss MPS' proposed experimental program. Staff states that the tariff that resulted from those discussions is fair to both MPS and to the small end-users who wish to participate in this experiment.

MOPRC-EC's application to intervene indicates that it is an energy purchasing group for members of the Missouri School Boards Association and the Cooperating School Districts of St. Louis. The member school districts support the experimental program as a way to allow them to choose a supplier under a utility transportation tariff. MOPRC-EC asks the Commission to make it a party and to approve MPS' tariff.

Mountain Energy's application to intervene indicates that it is an energy service provider engaged in the business of natural gas marketing in the state of Missouri. Mountain Energy acts as transportation agent on behalf of its customers, which are end-users of natural gas served by various local distribution companies under the jurisdiction of the Commission. Mountain Energy indicates that it generally supports further unbundling of services within the natural gas industry but opposes certain aspects of MPS' tariffs. Mountain Energy requests that the tariffs be suspended until its concerns and those of Public Counsel can be addressed.

The Commission has reviewed the tariff sheets, Public Counsel's motion to suspend, MPS' response to that request, Staff's response and recommendation, MOPRC-EC's response and request for intervention, Mountain Energy's Petition to Intervene, Public Counsel's Reply and the additional responses of MPS and Staff. MPS has effectively responded to each of the concerns raised by Public Counsel. The experimental small volume customer aggregation program may benefit consumers of natural gas and its results will be evaluated to determine whether or not benefits were attained by these consumers. It is an experiment worth conducting. The Commission will not suspend the proposed tariff.

The Commission emphasizes that this tariff creates an experimental program. That program will expire on August 31, 2002. If MPS wishes to extend the program beyond that expiration date, while avoiding a lapse in the program, it is encouraged to file the appropriate tariff changes at least six months before the expiration date so that the Staff will have sufficient time to properly evaluate the program and make its recommendation to the Commission. The Commission does not wish to be asked to temporarily extend the program while considering a tariff filed shortly before the expiration date.

Because MPS' tariff will not be suspended, there will be no proceedings for which intervention would be appropriate. Therefore, the applications to intervene filed by MOPRC-EC and Mountain Energy will be denied. Finally, the tariff filed by MPS will be approved.

IT IS THEREFORE ORDERED:

1. That Public Counsel's Motion to Suspend and Request for Establishment of Procedural Schedule and Hearing is denied.
2. That the Application of the Missouri Purchasing Resource Center - Energy Consortium to Intervene in Support of Tariffs is denied.

3. That the Petition of Mountain Energy Corporation to Intervene is denied.

4. That the tariff sheets filed by UtiliCorp United Inc., d/b/a Missouri Public Service on July 20, 2000, and assigned tariff number 200100065, are approved, as amended, to become effective on September 1, 2000. The tariff sheets approved are:

P.S.C. Mo. No. 5

Original Sheet Nos. 32.1 through 32.20, Inclusive
6th Revised Sheet No. 36, Canceling 5th Revised Sheet No. 36
20th Revised Sheet No. 43, Canceling 19th Revised Sheet No. 43
23rd Revised Sheet No. 44, Canceling 22nd Revised Sheet No. 44
13th Revised Sheet No. 44.1, Canceling 12th Revised Sheet No. 44.1

5. That this order shall become effective on September 1, 2000.

BY THE COMMISSION



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Lumpe, Ch., Drainer, Murray, Schemenauer,
and Simmons, CC., concur

Woodruff, Regulatory Law Judge

A. Sec'y: Wendy F. Boyle
Date Circulated 8-22 CASE NO. ET-2001-61
JS
Lumpke, Chair
pub p 1
Draher, Vice Chair
com p 43
Murray, Commissioner 82 9344
Schemenauer, Commissioner JS
Simmons, Commissioner
Agenda Date 8-29
Action taken: 5-0AA
Must Vote Not Later Than _____

STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 29th day of August 2000.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

