

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of Missouri Public Service for )  
authority to file tariffs increasing rates for )  
gas service provided to customers in the Missouri ) CASE NO. GR-90-198  
service area of the company. )

In the matter of the application of UtiliCorp )  
United, Inc., d/b/a Missouri Public Service, for ) CASE NO. GR-90-290  
authority to change its extension policies. )

In the matter of the application of UtiliCorp )  
United Inc., d/b/a Missouri Public Service, for )  
authority to initiate a late payment charge on ) CASE NO. GR-90-269  
delinquent customer bills for gas service. )

APPEARANCES: James C. Swearengen and Gary Duffy, Attorneys at Law, Hawkins,  
Brydon, Swearengen and England, P.C., P. O. Box 456, Jefferson City,  
Missouri 65102, for Missouri Public Service.  
Stuart W. Conrad, Attorney at Law, Lathrop, Norquist and Miller,  
2345 Grand Avenue, Suite 2600, Kansas City, Missouri 64108,  
for Pittsburgh Corning Corporation.  
Lewis R. Mills, Jr., First Assistant Public Counsel, Office of the  
Public Counsel, P. O. Box 7800, Jefferson City, Missouri 65102,  
for Office of the Public Counsel and the public.  
Robert J. Hack, and William K. Haas, Assistant General Counsels,  
Missouri Public Service Commission, P. O. Box 360, Jefferson City,  
Missouri 65102, for Staff of the Missouri Public Service Commission.

HEARING  
EXAMINER: Beth O'Donnell

REPORT AND ORDER

Procedural History

On February 16, 1990, Missouri Public Service of Kansas City, Missouri, a  
division of UtiliCorp United, Inc. (MPS or Company), filed with this Commission  
tariffs reflecting a general rate increase for gas service provided to customers in  
the Missouri service area of MPS. The proposed tariffs were designed to produce an  
increase in revenue of approximately \$4,700,000.

By order issued March 14, 1990, the Commission suspended the proposed  
tariffs to January 17, 1991, and established a procedural schedule for the purpose of

considering the propriety of the proposed increase. An evidentiary hearing was set for October 1, 1991, to continue as necessary through October 12, 1990.

On July 27, 1990, the Commission amended the procedural schedule setting an evidentiary hearing beginning October 29, 1990 and continuing as necessary through November 2, 1990. To allow customers of MPS to address the Commission concerning the proposed rate increase and their concerns regarding quality of service, the Commission also scheduled and held two local hearings, on September 12, 1990, in Sedalia, Missouri, and on September 13, 1990, in Chillicothe, Missouri.

By order issued April 6, 1990, the Commission suspended tariffs filed by MPS to initiate a late payment charge of 1.5 percent on a delinquent customer's unpaid balance for gas service. These tariffs were docketed as Case No. GR-90-269 and consolidated with Case No. GR-90-198 concerning MPS's proposed general rate increase. By order issued April 24, 1990, the Commission suspended tariffs filed by MPS proposing, inter alia, a change in the policies by which MPS extends facilities to prospective customers. The consideration of these tariffs was docketed as Case No. GR-90-290 and also consolidated with Case No. GR-90-198.

On March 26, 1990, Pittsburgh Corning Corporation (PCC) filed an application to intervene. The Office of the Public Counsel (Public Counsel) and the Commission's Staff (Staff) also participated in the case. Direct testimony was prefiled by the parties pursuant to the procedural schedule established. As a result of the prehearing conference held October 3 through 5, 1990, the parties reached an agreement as to the matters at issue among them and on October 18, 1990, the parties filed a Stipulation and Agreement with the Commission to which was attached new tariffs proposed by MPS in lieu of those originally filed in this case.

As a result of the agreement of the parties as to the matters at issue among them, the Commission, by notice issued October 18, 1990, cancelled the hearing set to begin October 29, 1990. By this same notice, the Commission set a hearing for

October 19, 1990, to enable the Commissioners to question the parties as to the reasonableness of the tariffs filed pursuant to the Stipulation and Agreement.

In the Stipulation the parties agreed that the testimony prefiled by the parties be received into evidence without the necessity of the witnesses taking the stand for cross-examination. Pursuant to this agreement the Commission will receive this prefiled testimony into the record in this Report and Order.

#### Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact.

Missouri Public Service, a division of UtiliCorp United, Inc., is a Delaware corporation duly authorized to conduct business in Missouri with its principal office and place of business located at 10700 E. 350 Highway, Kansas City, Missouri 64138. MPS is a public utility engaged in the generating, purchasing, transmitting, distributing and selling of electrical energy in portions of western and north central Missouri as well as the supplying of natural gas in portions of Missouri.

On October 18, 1990, the parties to this case filed a Stipulation and Agreement settling the matters at issue among them. Pursuant to the Stipulation and Agreement tariffs were submitted by MPS in lieu of those originally filed in this case. These new tariffs propose, inter alia, a general rate increase for gas service in MPS's Missouri territory of \$4 million exclusive of any applicable franchise and occupational taxes or other similar fees or taxes. These proposed tariffs bear a requested effective date of November 1, 1990.

The Commission has carefully considered the Stipulation and Agreement concluded by the parties and the tariffs submitted by MPS pursuant to the Stipulation and Agreement. The Commission concludes that the agreement of the parties represents

a reasonable disposition of the matters at issue herein and that the tariffs filed pursuant to the Stipulation and Agreement are just and reasonable. Therefore, the Commission will adopt the Stipulation and Agreement to resolve the matters at issue herein and will approve the tariffs filed pursuant to the Stipulation and Agreement for service on and after November 1, 1990. The Stipulation and Agreement and the tariffs filed pursuant to it are attached to this order as Appendix 1 and are incorporated herein by reference.

Conclusions of Law

The Commission has jurisdiction of MPS pursuant to Chapters 386 and 393, RSMo 1986, as amended. Company's tariffs in this case were suspended pursuant to authority vested in this Commission by Section 393.150, RSMo 1986. Pursuant to Section 536.060, RSMo 1986, the Commission may accept a stipulation or agreed settlement of a contested case when such agreements are reasonable and proper and permitted by law.

Section 393.275, RSMo 1986, provides that the Commission shall notify the governing body of described cities or counties of any tariff increase authorized by the Commission for a utility doing business in that city or county if the approved increase exceeds 7 percent. Since the rate increase approved in this case exceeds 7 percent, the Commission will direct its Secretary to provide such notice in conformance with the requirements of Section 393.275.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed by the parties to this case, and set forth in Appendix 1 attached hereto and incorporated herein by reference, be adopted hereby in disposition of the matters at issue herein.
2. That the tariffs filed herein by Missouri Public Service, a division of UtiliCorp United, Inc., pursuant to the Stipulation and Agreement, which are set forth as Attachment 1 to Appendix 1 attached hereto and incorporated herein by

reference, designed, inter alia, to increase the gross revenues of Missouri Public Service, exclusive of any applicable franchise and occupational taxes or other similar fees or taxes, by the amount of \$4 million on an annual basis over the currently effective rates, be approved hereby for service on and after November 1, 1990.

3. That Missouri Public Service, a division of UtiliCorp United, Inc., be directed hereby to comply with the provisions of paragraphs 8 and 9 of the Stipulation and Agreement.

4. That the testimony prefiled in this case by the parties be accepted hereby into evidence.

5. That the Commission's Secretary be directed hereby to provide notice as provided in Section 393.275, RSMo 1986.

6. That this order shall become effective on November 1, 1990.

BY THE COMMISSION

*Dan Ross*

Dan Ross  
Interim Secretary

(S E A L)

Mueller, Rauch, McClure and  
Letsch-Roderique, CC., Concur.  
Steinmeier, Chm., Absent.

Dated at Jefferson City, Missouri,  
on this 23rd day of October, 1990.

Commissioners:

Missouri Public Service Commission

ROBERT J. SCRIBNER,  
Staff Director  
GORDON L. PERSINGER,  
Director, Utility Division  
MARY ANN YOUNG,  
General Counsel  
C. GENE FEE,  
Chief Hearing Examiner  
HARVEY G. HUBBS,  
Secretary

WILLIAM D. STEINMEIER,  
Chairman

ALLAN G. MUELLER

DAVID L. RAUCH

KENNETH McCLURE

RUBY L. LETSCH-RODERIQUE

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
314 751-3234  
314 751-1847 (Fax Number)

October 18, 1990

FILED

OCT 18 1990

PUBLIC SERVICE COMMISSION

Mr. Daniel S. Ross  
Interim Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

RE: Case No. GR-90-198 -- In the matter of Missouri Public Service for Authority to File Tariffs Increasing Rates for Gas Service Provided to Customers in the Missouri Service Area of the Company.

Case No. GR-90-290 -- In the Matter of the Application of Utilicorp United, Inc., d/b/a Missouri Public Service, for Authority to Change its Extension Policies.

Case No. GR-90-269 -- In the Matter of the Application of Utilicorp United, Inc., d/b/a Missouri Public Service, for Authority to Initiate a Late Payment Charge on Delinquent Customer Bills for Gas Service.

Dear Mr. Ross:

Enclosed for filing in the above-captioned case is an original and fourteen (14) conformed copies of the STIPULATION AND AGREEMENT.

Attachment 1 to the Stipulation and Agreement consists of approximately 100 pages of rate schedules. Since Attachment 1 is so voluminous, I have requested leave of Hearing Examiner O'Donnell to omit Attachment 1 from eight of the filed copies of the Stipulation and Agreement. Pursuant to 4 CSR 240-2.080(2), Hearing Examiner O'Donnell agreed that the filing of an additional 800 pages of rate schedules would present an undue hardship.

You will note that Mr. Stuart W. Conrad, attorney for Pittsburgh Corning Corporation, has not signed the filed Stipulation and Agreement. This morning Mr. Conrad faxed to me a copy of page 6 of the Stipulation and Agreement which he signed;

Mr. Daniel S. Ross

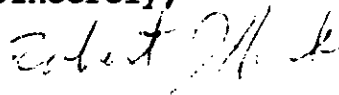
page 2

October 18, 1990

a copy of that fax is attached to this letter. Mr. Conrad will mail the original for filing in the official case file.

Copies of the Stipulation and Agreement have been mailed or hand-delivered to all parties of record this date.

Sincerely,



Robert J. Hack  
Assistant General Counsel

RJH:jhb

Enclosure

cc: All Parties of Record

STAFF OF THE MISSOURI  
PUBLIC SERVICE COMMISSION

---

Robert J. Hack  
William K. Haas  
Assistants General Counsel

Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, Missouri 65102  
314-751-8705

PITTSBURGH CORNING CORPORATION



---

Stuart W. Conrad  
Attorney at Law

Lathrop, Norquist and Miller  
2345 Grand Avenue, Suite 2600  
Kansas City, Missouri 64108  
816-842-0820

Respectfully submitted,  
MISSOURI PUBLIC SERVICE

---

James C. Swearngen  
Gary Duffy  
Attorneys at Law

Hawkins, Brydon, Swearngen  
and England, P.C.  
P.O. 456  
Jefferson City, Missouri 65102  
314-635-7166

OFFICE OF THE PUBLIC COUNSEL

---

Lewis R. Mills, Jr.  
First Assistant Public Counsel

Office of the Public Counsel  
P. O. Box 7800  
Jefferson City, Missouri 65102  
314-751-5563

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been  
mailed or hand-delivered to all parties of record this \_\_\_\_\_ day of  
\_\_\_\_\_, 1990.



BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of Missouri )  
Public Service for Authority to )  
File Tariffs Increasing Rates ) Case No. GR-90-198  
for Gas Service Provided to )  
Customers in the Missouri Service )  
Area of the Company. )

In the Matter of the application )  
of UTILICORP UNITED INC., d/b/a/ )  
Missouri Public Service, for ) Case No. GR-90-290  
authority to change its extension )  
policies. )

In the Matter of the application )  
of UTILICORP UNITED INC., d/b/a/ )  
Missouri Public Service, for ) Case No. GR-90-269  
authority to initiate a late )  
payment charge on delinquent )  
customer bills for gas service. )

**FILED**

OCT 18 1990

STIPULATION AND AGREEMENT

PUBLIC SERVICE COMMISSION

As a result of the prehearing conference, Missouri Public Service (Company), the Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (Public Counsel) and the Pittsburgh Corning Corporation agree and stipulate as follows:

1. The Company shall be authorized to file revised gas rate schedules designed to produce an increase in overall Missouri jurisdictional gross annual revenues of \$4 million, exclusive of any applicable franchise and occupational taxes or other similar fees or taxes.

2. The revised gas rate schedules reflecting this increase are set forth in Attachment 1 hereto and shall be

effective for service rendered on and after November 1, 1990. The revised gas rate schedules reflect the consolidation of the rate schedules for the Company's Northern and Southern systems and the elimination of the Residential Conservation Service program.

3. In order to compete with alternative sources of energy, the Company shall be authorized to implement a flexible rate adjustment mechanism and special contract procedure as set forth in Attachment 1, Original Sheet Nos. 18 and 19.

4. The Company shall request leave of the Commission to dismiss its Application for approval of a special contract for natural gas service between Missouri Public Service and Pittsburgh Corning Corporation at Pittsburgh Corning's Sedalia, Missouri facilities, which has been docketed as Case No. GO-91-90.

5. The Company's Purchased Gas Adjustment Clause shall be revised as shown in Attachment 1, Original Sheet Nos. 40 through 54. The Company's billing format shall be revised as soon as possible, but in any event no later than January 1, 1991, so that gas costs and non-gas costs appear separately on each customer's bill.

6. The Company shall be authorized to institute a late payment charge as set forth in Attachment 1, Original Sheet No. R-31.

7. The Company shall be authorized to revise its line extension policy as set forth in Attachment 1, Original Sheet Nos. R-31 through R-34.

8. The Company shall comply with Staff Witness William J. Cochran's recommendations. (See Attachment 2).

9. The Company shall compile certain data in the format requested by Staff Witness Craig A. Jones in his direct testimony. Specifically, the Company shall submit annually a cost study which includes:

- a. The number of occurrences involving a particular service (i.e., reconnect, disconnect, special meter read, etc.);
- b. A complete breakdown of the actual costs involved in performing the service (i.e., number of hours per employee, whether the time was regular time or overtime, hourly wage for the employee(s), overhead costs itemized (by labor, equipment, material, etc., however classified), material costs itemized, travel time, equipment time (each unit), and all other costs associated with performing the service itemized for the Staff's and the Company's use);
- c. A breakdown by system (Northern or Southern);
- d. A statement noting if the service was provided to a gas-only customer and, if not, the allocation of costs between gas and electric;
- e. Any other costs that the particular charge was designed to collect; and
- f. A study to determine the effectiveness of the late payment charge.

10. This Stipulation and Agreement recognizes the Company's Gas Accounting Authority Order deferral as authorized by the Commission in Case No. GO-90-115. Revenue requirement of approximately \$150,000 is associated therewith by applying to the facts of this case the Commission's decision respecting the recovery mechanism of deferrals in the Accounting Authority Order issue in Case No. ER-90-101, et al. This revenue requirement consists of a net rate base amount at September 30, 1990, and reflects a 20 year amortization period.

11. Pittsburgh Corning takes no position regarding the treatment of take-or-pay costs contained in the tariffs which are attached to this stipulation, reserves all rights with respect thereto and expressly disclaims any implication of approval of such treatment.

12. The direct testimony, schedules, exhibits and minimum filing requirements prefiled by the Company, the Staff, Public Counsel and Pittsburgh Corning shall be received into evidence without the necessity of their witnesses taking the stand.

13. Except as specified by paragraph 10 herein, this Stipulation and Agreement represents a negotiated dollar settlement for the sole purpose of disposing of this case. None of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in any other proceeding, except as otherwise specified herein.

14. None of the signatories shall be deemed to have approved or acquiesced in any ratemaking principle or any method

of cost determination or cost allocation underlying or allegedly underlying this Stipulation and Agreement and the rates provided for herein.

15. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement in total, or in the event the revised gas rate schedules do not become effective in accordance with the provisions contained herein, this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

16. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the signatories waive their respective rights to cross-examine witnesses and to present oral argument, and written briefs pursuant to Section 536.080.1 RSMo 1986; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 1986; and their respective rights to judicial review pursuant to Section 386.510 RSMo 1986.

Wherefore, the signatories respectfully request that the Commission issue its order which approves this Stipulation and Agreement and the tariffs attached hereto.

STAFF OF THE MISSOURI  
PUBLIC SERVICE COMMISSION

Robert J. Hack  
Robert J. Hack  
William K. Haas  
Assistants General Counsel

Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, Missouri 65102  
314-751-8705

PITTSBURGH CORNING CORPORATION

Stuart W. Conrad  
Stuart W. Conrad  
Attorney at Law

Lathrop, Norquist and Miller  
2345 Grand Avenue, Suite 2600  
Kansas City, Missouri 64108  
816-842-0820

Respectfully submitted,  
MISSOURI PUBLIC SERVICE

James C. Swearingen  
James C. Swearingen  
Gary Duffy  
Attorneys at Law

Hawkins, Brydon, Swearingen  
and England, P.C.  
P.O. 456  
Jefferson City, Missouri 65102  
314-635-7166

OFFICE OF THE PUBLIC COUNSEL

Lewis R. Mills, Jr.  
Lewis R. Mills, Jr.  
First Assistant Public Counsel

Office of the Public Counsel  
P. O. Box 7800  
Jefferson City, Missouri 65102  
314-751-5563

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been  
mailed or hand-delivered to all parties of record this 18 day of  
October, 1990.

Robert J. Hack

Attachment 1

\*\* Tariff sheets not included because of volume.  
If copies are needed, please request them from  
the office of the Secretary.