

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 2nd
day of June, 1997.

In the matter of St. Joseph Light & Power)
Company's purchased gas adjustment factors to be) Case No. GR-97-206
audited in its 1996-1997 Actual Cost Adjustment.)

ORDER APPROVING INTERIM RATES

St. Joseph Light & Power Company (SJLP or Company) of St. Joseph, Missouri, submitted a tariff sheet to the Commission on June 16, 1997, carrying an effective date of July 7, 1997. The tariff sheet is designed to change SJLP's Total Purchased Gas Adjustment (Total PGA) factor. The Total PGA factor consists of five separate types of factors. The first is the Regular Purchased Gas Adjustment (RPGA) factor which is designed to recover the current cost of gas delivered to the Company's local distribution system. The second is the Actual Cost Adjustment (ACA) factor which represents the annual reconciliation of gas cost revenue recovery with the actual cost of gas. The third is the Refund factor which is designed to distribute to sales customers monies refunded from upstream suppliers and transporters. The fourth is the Take-OR-Pay (TOP) factor which contains the fixed FERC-authorized charges paid by the Company to its wholesale supplier(s). The fifth is the Transition Cost (TC) factor which contains the fixed FERC-authorized TC charges paid to the Company's wholesale supplier(s) or transporter(s). This filing was made to reflect changes in the Total PGA as a result of an increase in the spot market cost of gas, a decrease in the ACA factor, and a decrease in the TC factor.

The increase in the spot market cost of gas will result in an increase of approximately \$467,000 in annualized revenues. The Company

proposes to return an over-collected ACA balance which will decrease annualized revenues by approximately \$173,000. The decrease in the TC factor will reduce annualized revenues by approximately \$94,000. These changes collectively will have the net effect of increasing annualized revenues by approximately \$200,000. The impact on a typical residential space heating customer using 28 Ccfs of natural gas in the month of July will be an increase of \$0.78, or 3.9%.

The Staff of the Commission (Staff) filed a memorandum stating that the changes in SJLP's Total PGA were calculated in conformance with the Company's approved PGA Clause and recommends that the Commission approve the tariff sheet to become effective on July 7, 1997.

Staff stated that SJLP's PGA Clause allows for twenty (20) days notice for filings reflecting PGA changes. Staff recommended that the tariff sheet be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-96-47 and GR-97-206.

Staff also requested permission to submit its evaluation and recommendation of the data contained in this ACA filing, on or before April 1, 1998.

The Commission has reviewed the tariff sheet and Staff's recommendation, and finds that the tariff sheet conforms to the Company's Commission-approved PGA Clause and is therefore reasonable. After considering Staff's recommendation and request, and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission is of the opinion that the proposed tariff sheet should be approved to become effective on and after the requested effective date of July 7, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on June 16, 1997, by St. Joseph Light & Power Company of St. Joseph, Missouri, is approved on an interim basis, subject to refund, to become effective on July 7, 1997. The tariff sheet approved is:

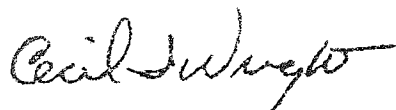
P.S.C. MO. No. 4

42nd Revised Sheet No. 9.4 Cancelling 41st Revised Sheet No. 9.4

2. That the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of this ACA period and submit its results and recommendation regarding this ACA on or before April 1, 1998.

3. That this order shall become effective July 7, 1997.

BY THE COMMISSION



Cecil I. Wright

Executive Secretary

(S E A L)

Zobrist, Chm., Drainer, Murray, and Lumpe, CC., Concur.
Crumpton, C., Absent.
ALJ: George