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THE STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 17th
day of November, 1998.

In the matter of Missouri Public Service's Tariff)
Revisions To Be Reviewed In Its 1997-1998 Actual) Case No. GR-98-421
Cost Adjustment.)

ORDER APPROVING INTERIM RATES

Missouri Public Service (MPS or Company) of Kansas City, Missouri, submitted tariff sheets to the Commission on November 3, 1998, carrying an effective date of November 18, 1998. On November 10, 1998, MPS filed substitute tariff Sheet No. 43 to correct errors in the original filing. The tariff sheets were filed to reflect scheduled changes in MPS's Purchased Gas Adjustment (PGA) factors as the result of changes in the cost of natural gas for the upcoming winter season. The winter season includes the months of November through March. Additionally, the Actual Cost Adjustment (ACA) factor changed in each of the three systems. This filing will implement a refund factor in two systems, plus the Transition Cost (TC) factors and the Take-Or-Pay (TOP) factors will also change in two systems.

The net effect of these changes for the area served by the Southern System will decrease the firm PGA factor for the winter season to \$.27386 per Ccf from a summer season firm PGA factor of \$.36455 per Ccf. This represents an approximate decrease of 25% to consumers.

The net effect of these changes for the area served by the Northern System will decrease the firm PGA factor for the winter season to \$.30414 per Ccf from a summer season firm PGA factor of \$.36602 per Ccf. This represents an approximate decrease of 17% to consumers.

The net effect of these changes for the area served by the Eastern System will decrease the firm PGA factor for the winter season to \$.51261 per Ccf from a summer season firm PGA factor of \$.54236 per Ccf. This represents an approximate decrease of 5% to consumers.

The Staff of the Commission (Staff) filed a memorandum stating that the changes in MPS's PGA were calculated in conformance with its approved PGA Clause and recommends that the Commission approve the tariff sheets to become effective on November 18, 1998. Staff recommended that the tariff sheets be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-96-192, GR-97-298 and GR-98-421. The Staff also requested that the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of the ACA period and submit its results and recommendations regarding this ACA filing on or before September 1, 1999.

The Commission has reviewed the tariff sheets, Staff's recommendation and request, and finds that the proposed tariff sheets conform to MPS's Commission-approved PGA Clause and are therefore reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission finds that the proposed tariff sheets should be approved to become effective on and after the requested effective date of November 18, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheets submitted on November 3, 1998, and as substituted on November 10, 1998, by Missouri Public Service of Kansas City, Missouri, for the purpose of reflecting changes in rates for natural gas in all three of its Missouri systems, are approved on an interim basis, subject to refund, to become effective on November 18, 1998. The tariff sheets approved are:

P.S.C. MO. No. 5

15th Revised SHEET NO. 43 Cancelling 14th Revised SHEET NO. 43

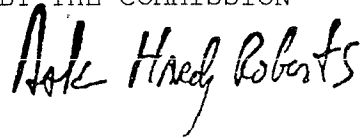
18th Revised SHEET NO. 44 Cancelling 17th Revised SHEET NO. 44

8th Revised SHEET NO. 44.1 Cancelling 7th Revised SHEET NO. 44.1

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 recommendations regarding this ACA filing on or before September 1, 1999.

3. That this order shall become effective on November 18, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
and Drainer, CC., concur.
Schemenauer, C., absent.

Register, Regulatory Law Judge