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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 12th  
day of November, 1997.

In the matter of Missouri Public Service's Tariff )  
Revisions To Be Reviewed In Its 1996-1997 Actual ) Case No. GR-97-298  
Cost Adjustment. )

ORDER APPROVING INTERIM RATES

Missouri Public Service (MPS or Company) of Kansas City, Missouri, submitted tariff sheets to the Commission on October 23, 1997, carrying an effective date of November 5, 1997. On October 29, 1997, MPS filed substitute tariff sheets correcting errors. On November 5, 1997, MPS filed substitute tariff sheets correcting errors and extending the effective date to November 13, 1997. 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 in the area served by the Southern System will decrease the current PGA factors. However the 1997-1998 winter season revenues will increase by approximately \$2,515,900 for this system as compared to the 1996-1997 winter season revenues. The impact of these changes on a typical residential space heating customer using 88.8 Mcf in the winter season would be an increase of approximately \$78.69. This represents an approximate increase of 14% in this customer's winter season bills.

The net effect of these changes in the area served by the Northern System will decrease the current PGA factors. However the 1997-1998 winter season revenues will increase by approximately \$22,200 for this system as compared to the 1996-1997 winter season revenues. The impact of these changes on a typical residential space heating customer using 88.8 Mcf in the winter season would be an increase of approximately \$1.48. This represents an approximate increase of 0.0% in this customer's winter season bills.

The net effect of these changes in the area served by the Eastern System will increase the current PGA factors. The 1997-1998 winter season revenues will increase by approximately \$719,700 as compared to the 1996-1997 winter season revenues. The impact of these changes on a typical residential space heating customer using 88.8 Mcf in the winter season would be an increase of approximately \$137.88. This represents an approximate increase of 23% in this customer's winter season bills.

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 13, 1997. 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-95-273, GR-96-192 and GR-97-298. 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, 1998.

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 13, 1997, interim subject to refund.

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IT IS THEREFORE ORDERED:

1. That the tariff sheets submitted on October 23, 1997, and as substituted on October 29 and November 5, 1997, 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 13, 1997. The tariff sheets approved are:

P.S.C. MO. No. 5

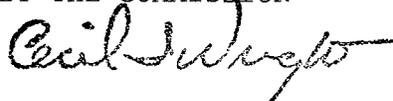
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13th Revised SHEET NO. 43 Cancelling 12th Revised SHEET NO. 43  
16th Revised SHEET NO. 44 Cancelling 15th Revised SHEET NO. 44  
6th Revised SHEET NO. 44.1 Cancelling 5th Revised SHEET NO. 44.1

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, 1998.

3. That this order shall become effective on November 13, 1997.

BY THE COMMISSION



Cecil I. Wright  
Executive Secretary

(S E A L)

Lumpe, Chm., Crumpton, Murray, and Drainer, CC., Concur.  
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