



Missouri Public Service Commission

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March 8, 2001

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Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GW-2001-398

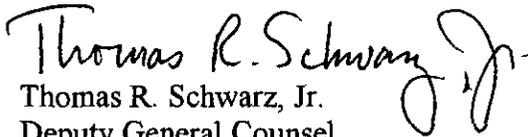
Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF'S PROPOSED GENERAL TIME FRAMES AND PUBLIC MEETINGS**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,


Thomas R. Schwarz, Jr.
Deputy General Counsel
(573) 751-5239
(573) 751-9285 (Fax)

TRS:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

MAR 08 2001

Missouri Public
Service Commission

In the matter of a Commission Inquiry)
into Purchased Gas Cost Recovery.)

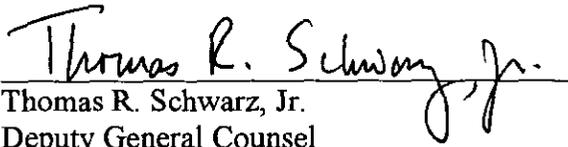
Case No. GW-2001-398

STAFF'S PROPOSED GENERAL TIME FRAMES AND PUBLIC MEETINGS

In its order dated January 23, 2001, establishing this docket, the Public Service Commission of Missouri ("Commission") ordered its Staff to propose a general time frame for this case, and to propose dates for local public meetings. Attached is a Staff Memorandum complying with the Commission's January 23 order.

Respectfully submitted,

DANA K. JOYCE
General Counsel


Thomas R. Schwarz, Jr.
Deputy General Counsel
Missouri Bar No. 29645

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 8th day of March, 2001.

Thomas R. Schweg, Jr.

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GW-2001-398, Inquiry into Purchased Gas Cost Recovery

FROM: Warren Wood, ^{WW} Gas Department Manager

Wes Anderson 3-7-01
Utility Operations Division / Date

Thomas R. Schwanz Jr 3/7/01
General Counsel's Office / Date

SUBJECT: Staff Recommendation for general time frames and dates for local public meetings.

DATE: March 7, 2001

Per the Commission's January 23rd Order Establishing Case and Creating Task Force in the above matter, the Staff's proposed general time frames and dates for public meetings are as follows:

<u>Public Meeting Area</u>	<u>General Dates & Time Frames</u>
Kansas City	April 23 rd to April 27 th , 6:00 to 8:00 PM
St. Louis	April 30 th to May 4 th , 6:00 to 8:00 PM
Jefferson City	May 7 th to May 11 th , 6:00 to 8:00 PM
Kirksville	May 21 st to May 25 th , 6:00 to 8:00 PM
Sikeston	June 4 th to June 8 th , 6:00 to 8:00 PM

The meetings noted above are considered adequate to receive input from communities that encompass the vast majority of Missouri's natural gas utility residential customers. These public meetings are expected to provide the Task Force with sufficient information regarding the general public's opinions. The Staff recommends that the specific dates and locations of the public meetings be left up to the Task Force so they can coordinate these meetings with availability of interested legislators and local government representatives.

The Staff's interpretation of the Commission's Order in this case is that two primary tasks are to be performed by the Task Force. The first task is to "hear from the public on the issues raised herein". To this end, the Staff recommends the meeting areas and time frames noted above. Press releases should be developed and distributed in the communities in these areas that notify the public of these meetings and state their purpose. The objective of these meetings will be to collect the information and opinions of the public regarding gas cost recovery mechanisms and options.

The second task is to consider the information and opinions collected during public meetings with the information and opinions of the stakeholders that have been appointed to the Task Force and develop a comprehensive report that captures this information. Three Task Force meetings are anticipated on the general dates and time frames noted below:

<u>Task Force Meeting Area</u>	<u>General Dates & Time Frames</u>
Kansas City	April 16 th to April 20 th , 9:00 AM to 4:00 PM
St. Louis	June 11 th to June 15 th , 9:00 AM to 4:00 PM
Jefferson City	June 25 th to June 29 th , 9:00 AM to 4:00 PM

In conjunction with the first Task Force meeting, all participants will be provided with a copy of the Staff's winter '00 – '01 report "Natural Gas Prices, Residential Winter Heating Bills and Revenues" (dated March 6, 2001) and the Staff's '94 report "Gas Purchasing / Cost Recovery" as well as any other pertinent information. A portion of the agenda for the first Task Force meeting will be directed at identifying sub issues, assigning working groups to address them and time frames for completing these activities. The planned format for the public meetings and objectives of these meetings will also be discussed in the first Task Force meeting. The option of holding all the public meetings after the Task Force meetings was considered but this would have resulted in much of the Task Force's work being performed without the benefit of the public's opinions.

The report of the Task Force will generally follow the outline below plus any issues brought up by the public meetings and Task Force members (the first two items are for background information):

1. What Happened This Winter
 - a. Historical Prices vs. This Winter
 - b. Historical Heating Bills vs. This Winter
 - c. Components of the PGA
 - d. ACA and Prudence Audits
 - e. Why Did Gas Prices Start High & Spike In January
 - f. How Are Most Gas Supply Contracts Tied to Market Indices
 - g. What Can We Expect Next Winter
2. How Did Missouri Do vs. The Rest of the Country
 - a. PGA Rates
 - b. Typical Heating Bills
3. Types of Gas Cost Recovery Mechanisms & Pros and Cons of Each
 - a. How Missouri Does It Now (Three Times per Year)
 - b. Monthly PGA Rate Changes
 - c. Less Frequent PGA Rate Changes (Bi Annual or Annual)
 - d. PGA Rate Caps
4. Ways To Mitigate Price Spike Risk & Pros and Cons of Each
 - a. Fixed Price Contracts
 - b. Call Options
 - c. Collars
 - d. "Weatherproof" Bill Systems (i.e. Weatherwise™)
 - e. Use of Natural Gas Storage
 - f. What Missouri's Utilities Did This Winter
 - g. What Other Missouri Gas Purchaser's Did This Winter
 - h. What Gas Purchaser's Did Around the Country

It is believed that a thorough report on the outlined topics will achieve the objectives for which this Task Force is being created. The planned structure of the report will not result in one defined path for the Commission but rather a summary of what happened this winter and options for the future. Every effort should be made to insure that all stakeholders have had a real opportunity to express their opinions and the pros and cons of all other positions presented. All options presented will be followed by the pros and cons of each as developed by stakeholders who agree or disagree with the option. This format can be easily agreed to by all stakeholders and will promote an open, innovative mindset. It is anticipated that the final report of the Task Force can be completed four weeks after the final meeting of the Task Force (~ July 27, 2001). The final report from this Task Force should be an informative and useful tool for policy makers in the near future.

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Director - Utility Services Division
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Case No. GW-2001-398
Revised: March 8, 2001 (SW)

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