



Missouri Public Service Commission

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March 2, 2001

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Director, Utility Services

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Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

FILED³

MAR 02 2001

Missouri Public
Service Commission

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

RE: Case No. GR-2001-461 - Missouri Public Service's Purchased Gas Adjustment

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

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.

Thomas R. Schwarz, Jr.
Deputy General Counsel
(573) 751-5239
(573) 751-9285 (Fax)
tschwarz@mail.state.mo.us

TRS/tmh
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

MAR 02 2001

Missouri Public
Service Commission

In the Matter of Missouri Public Service's)
Purchased Gas Adjustment Factors to be)
Reviewed in its 2000-2001 Actual Cost)
Adjustment.)

Case No. GR-2001-461

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and for its recommendation in the above-captioned matter states as follows:

1. Missouri Public Service Company, a division of UtiliCorp United Inc. ("Company") filed a tariff on February 23, 2001, proposing to increase its Purchased Gas Adjustment ("PGA") factor for service provided on and after March 9, 2001.

2. Staff has reviewed the tariff and has found that the filing complies with the provisions of Company's tariffs for unscheduled winter PGA filings. Staff finds that good cause has been shown for making the tariff effective on less than thirty days notice, as reflected by the provision for a ten day effective date in Company's tariff. See the Staff Memorandum attached hereto as Attachment A.

3. Company has also sought a waiver from provisions of its tariff permitting it to accrue interest on its Deferred Carrying Cost Balance.

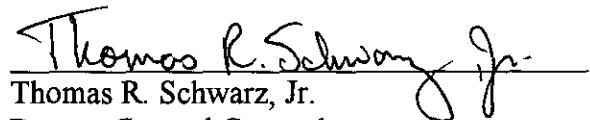
4. Staff emphasizes that it has not audited the books and records of Company, and that it will conduct a thorough review of Company's gas purchases during the Actual Cost Adjustment audit.

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WHEREFORE, Staff recommends that the Commission grant the waiver sought by Company and approve the rates proposed by Company, effective for service on and after March 9, 2001, and that these rates remain interim, subject to refund.

Respectfully submitted,

DANA K. JOYCE
General Counsel



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

Attorney for the Staff of the
Missouri Public Service Commission
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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 2nd day of March, 2001.

Thomas R. Schwany, Jr.

Service List for GR-2001-461
Revised: March 1, 2001(tmh)

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Dean L. Cooper
Brydon, Swearngen & England, P.C.
P.O. Box 456
Jefferson City MO 65102

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2001-461, File No. 200100868,
Missouri Public Service

FROM: James A. Gray, Gas Department - Tariffs/Rate Design

JK
MM for *Wes Henderson* / 03/02/01 *Thomas R. Schwanz Jr.* 3/2/01
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation For Missouri Public Service's Request for a One-time Waiver and an Unscheduled Winter Season PGA Filing Effective March 9, 2001.

DATE: March 2, 2001

On February 23, 2001, Missouri Public Service (MPS or Company), a division of UtiliCorp United Inc. of Kansas City, Missouri, filed tariff sheets proposed to become effective March 9, 2001. On March 1, 2001, MPS filed substitute tariff sheets to make corrections at the request of the Commission's Gas Department - Tariffs/Rate Design Staff (Staff). The tariff sheets were filed to reflect uncheduled changes in MPS's Purchased Gas Adjustment (PGA) factors as the result of changes in the estimated cost of natural gas for the remaining winter season. The winter season includes the months of November through March. Additionally, this tariff filing, as substituted, reflects an Unscheduled Filing Adjustment Factor (UFA).

In conjunction with the filing of these tariff sheets, MPS filed a MOTION FOR WAIVER AND/OR VARIANCE (Motion). MPS states that it delayed filing its Unscheduled Winter Season PGA to stabilize its rates during the past winter months. MPS states that delaying this uncheduled PGA increased the under recovery of MPS's Deferred Carrying cost Balance (DCCB). Therefore, MPS is requesting a one-time waiver from its Tariff Sheet No. 36 to allow MPS to forego adding interest to its DCCB until the next PGA change. This will reduce the under recovery balance that residential customers will pay in the coming months.

For the Southern System (serving communities such as Sedalia and Clinton), the effect of these changes will increase the PGA factor for the remainder of the 2001 winter season to \$0.78774 per Ccf from a scheduled winter season firm PGA factor of \$0.58957 per Ccf. The firm PGA factor would increase 34% under this proposal. This proposal would increase a typical residential customer's bill 23% for March when compared to the rates that are currently in effect. Compared to the rates that are currently in effect, this proposal would increase the typical residential customer's total winter heating season bill 4%.

For the Northern System (serving communities such as Chillicothe and Trenton), the effect of these changes will increase the PGA factor for the remainder of the 2001 winter season to \$0.86348 per Ccf from a scheduled winter season firm PGA factor of \$0.67027 per Ccf. The firm PGA factor would increase 29% under this proposal. This proposal would increase a typical residential customer's bill 20% for March when compared to the rates that are currently in effect.

Compared to the rates that are currently in effect, this proposal would increase the typical residential customer's total winter heating season bill 4%.

For the Eastern System (serving communities such as Rolla and Owensville), the effect of these changes will increase the PGA factor for the remainder of the 2001 winter season to \$1.16476 per Ccf from a scheduled winter season firm PGA factor of \$0.92690 per Ccf. The firm PGA factor would increase 26% under this proposal. This proposal would increase a typical residential customer's bill 20% for March when compared to the rates that are currently in effect. Compared to the rates that are currently in effect, this proposal would increase the typical residential customer's total winter heating season bill 4%.

Case No. GR-2001-461, under which this PGA change was filed, was established to track the Company's PGA factors to be reviewed in its 2000-2001 ACA filing. Case Nos. GR-2000-520 and GR-99-435 were established to track the Company's PGA factors to be reviewed in its 1999-2000 and 1998-1999 ACA filings, respectively. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-99-435, GR-2000-520, and GR-2001-461

The Staff has reviewed the Motion and agrees that the one-time waiver be granted. Staff has also reviewed the PGA filing and has determined that this filing was calculated in conformance with MPS's Commission approved PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty days notice is demonstrated by MPS's Commission approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends the Commission grant the one-time waiver as requested by the Company on February 23, 2001, and approve the following tariff sheets, as substituted on March 1, 2001, to become effective March 9, 2001, interim subject to refund:

P.S.C. MO. No. 5

22nd Revised Sheet No. 43, Canceling 21st Revised Sheet No. 43
25th Revised Sheet No. 44, Canceling 24th Revised Sheet No. 44
15th Revised Sheet No. 44.1, Canceling 14th Revised Sheet No. 44.1

Copies: Director - Utility Operations Division
Director - Research and Public Affairs Division
Director - Utility Services Division
General Counsel
Manager - Financial Analysis Department
Manager - Procurement Analysis Department
Manager - Gas Department
Karen S. Russell - Director of Rate Administration (MPS)
Kent Kopetzky - Regulatory Analyst (MPS)
Dean L. Cooper - Attorney for MPS (Brydon Swearngen & England, PC)
Office of the Public Counsel

WINTER SEASON

Approximate Billing Impact Of 888 Ccf per Winter Season
Missouri Public Service - Southern System
Residential Heating Customer

	Winter Season with Scheduled Filing (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	87.81
*	December	179	154.44
*	January 2001	236	200.75
*	February	217	185.32
*	March	159	138.19
	5 Month Winter Season Total	888	\$766.51

	Winter Season with Unscheduled Filing (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	87.81
*	December	179	154.44
*	January 2001	236	200.75
*	February	217	185.32
+	March	159	169.70
	5 Month Winter Season Total	888	\$798.02

REMARKS

For a typical residential customer using approximately 888 Ccf during the winter season (November - March), natural gas rates will increase by \$31.51 or approximately 4% when comparing the fuel bills for the current winter season before and after the unscheduled winter filing.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 2: Customer Charge = \$9.00; Energy Charge = \$0.22295 per Ccf;
- * Tariff Sheet No. 43: PGA Charge = \$0.58957 per Ccf;
- + Tariff Sheet No. 43: PGA Charge = \$0.78774 per Ccf;

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WINTER SEASON

Approximate Billing Impact Of 888 Ccf per Winter Season
Missouri Public Service - Northern System
Residential Heating Customer

	Winter Season with Scheduled Filing (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	95.64
*	December	179	168.89
*	January 2001	236	219.80
*	February	217	202.83
*	March	159	151.02
	5 Month Winter Season Total	888	\$838.18

	Winter Season with Unscheduled Filing (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	95.64
*	December	179	168.89
*	January 2001	236	219.80
*	February	217	202.83
+	March	159	181.74
	5 Month Winter Season Total	888	\$868.90

REMARKS

For a typical residential customer using approximately 888 Ccf during the winter season (November - March), natural gas rates will increase by \$30.72 or approximately 4% when comparing the fuel bills for the current winter season before and after the unscheduled winter filing.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 2: Customer Charge = \$9.00; Energy Charge = \$0.22295 per Ccf;
- * Tariff Sheet No. 44: PGA Charge = \$0.67027 per Ccf;
- + Tariff Sheet No. 44: PGA Charge = \$0.86348 per Ccf;

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March 2001

WINTER SEASON

Approximate Billing Impact Of 888 Ccf per Winter Season
Missouri Public Service - Eastern System
Residential Heating Customer

	Winter Season with Scheduled Filing (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	120.54
*	December	179	214.82
*	January 2001	236	280.36
*	February	217	258.52
*	March	159	191.83
	5 Month Winter Season Total	888	\$1,066.07

	Winter Season with Unscheduled Filing (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	120.54
*	December	179	214.82
*	January 2001	236	280.36
*	February	217	258.52
+	March	159	229.65
	5 Month Winter Season Total	888	\$1,103.89

REMARKS

For a typical residential customer using approximately 888 Ccf during the winter season (November - March), natural gas rates will increase by \$37.82 or approximately 4% when comparing the fuel bills for the current winter season before and after the unscheduled winter filing.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 2: Customer Charge = \$9.00; Energy Charge = \$0.22295 per Ccf;
- * Tariff Sheet No. 44.1: PGA Charge = \$0.92690 per Ccf
- + Tariff Sheet No. 44.1: PGA Charge = \$1.16476 per Ccf

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March - 2001