



Missouri Public Service Commission

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April 11, 2001

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DONNA H. VOYCE
General Counsel

FILED

APR 11 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

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,

Robert V. Franson
Assistant General Counsel
(573) 751-6651
(573) 751-9285 (Fax)
rfranson@mail.state.mo.us

RVF:ccl
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

APR 11 2001

Missouri Public
Service Commission

In the matter of Missouri Public Service)
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") in the above-captioned matter and for its recommendation states as follows:

1. On March 29, 2001, Missouri Public Service filed a Motion for Waiver and/or Variance concerning Summer PGA Filing." The Company made the filing to seek a waiver of the filing of its tariff mandated Purchased Gas Adjustment ("PGA") factors for the upcoming summer season. The Company also seeks to maintain the interim rates that were approved by the Commission on March 6, 2001. The Company seeks to have these rates remain in effect until the filing of its next PGA filing in order to help reduce its Deferred Carrying Cost Balance (DCCB).

2. Staff has reviewed the Application, and recommends that the waiver be granted and that the current interim rates subject to refund remain in effect until the next PGA filing by the Company in the October-November 2001 timeframe. The recommendation of the Gas Department – Tariffs/Rate Design Staff is attached as Attachment A hereto. Staff also recommends that the rates be interim, subject to refund.

WHEREFORE, the Staff recommends that the Commission approve the proposed Application interim, subject to refund.

Respectfully submitted,

DANA K. JOYCE
General Counsel

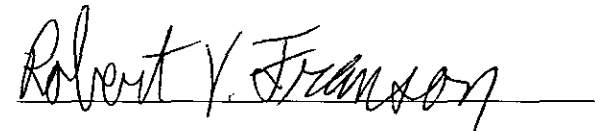


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Certificate of Service

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 11th day of April, 2001



MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2001-461,
UtiliCorp United Inc. d/b/a Missouri Public Service

FROM: ^{JYWW} James A. Gray, Gas Department - Tariffs/Rate Design

Wes Henderson 4-10-01
Utility Operations Division/Date

Thomas R. Schwaner Jr. 4/11/01 (RF)
General Counsel's Office/Date 4/11/01

SUBJECT: Staff Recommendation on a One-time Waiver to allow UtiliCorp United Inc. d/b/a Missouri Public Service to not file a Summer PGA Rate Change.

DATE: April 10, 2001

On March 29, 2001, UtiliCorp United Inc. (UtiliCorp) d/b/a Missouri Public Service (MPS) of Kansas City, Missouri, filed a MOTION FOR WAIVER AND/OR VARIANCE CONCERNING SUMMER PGA FILING (Motion). MPS requests a one-time waiver from its Tariff Sheet Nos. 34 and 35 requirements to file a 2001 Summer Season PGA.

MPS very recently filed an Unscheduled Winter Season PGA with those rates going into effect on March 9, 2001. MPS has a significant under recovery of its Deferred Carrying Cost Balance (DCCB). Also, MPS was granted 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. Therefore, as long as the current PGA rates remain in effect, MPS will not add interest on the under-recovery to its DCCB.

Under MPS's Motion, the current PGA rates for MPS's Systems would remain the same. MPS's authorized firm PGA rates are \$0.78774 per Ccf for the Southern System (serving communities such as Sedalia and Clinton), \$0.86348 per Ccf for the Northern System (serving communities such as Chillicothe and Trenton), and \$1.16476 per Ccf for the Eastern System (serving communities such as Rolla and Owensville).

Maintaining the current Unscheduled Winter PGA rates until November 2001, would help diminish the DCCB before the next Actual Cost Adjustment (ACA) change in MPS's Scheduled Winter PGA change in November 2001. Delaying the recovery of the DCCB until after November 2001, would exacerbate the possibly higher natural gas prices in effect during the upcoming winter season.

This filing affects three open Actual Cost Adjustment (ACA) cases. Case Nos. GR-2001-461, under which this PGA waiver is 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.

The Staff has reviewed the Motion and recommends the Commission grant the one-time waiver as requested by the Company on March 29, 2001. 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.

MO PSC Case No. GR-2001-461
OFFICIAL CASE FILE MEMORANDUM
PAGE 2 OF 2

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 Swearingen & England, PC)
Office of the Public Counsel

Service List for
Case No. GR-2001-461
Revised: April 11, 2001 (ccl)

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