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November 13, 2001

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WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. KOLILIS
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

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

FILED³

NOV 13 2001

Missouri Public
Service Commission

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
Associate 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
NOV 13 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") in the above-captioned matter and for its recommendation states as follows:

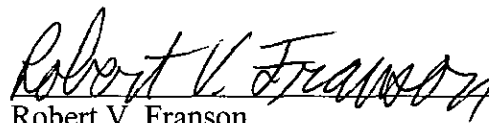
1. On November 5, 2001, Missouri Public Service ("Company"), a division of Utilicorp United Inc., filed tariff sheets proposed to be effective November 19, 2001. The filing was made to reflect changes in the Company's Purchased Gas Adjustment ("PGA") factors for the upcoming winter season.

2. Staff has reviewed the proposed tariff sheets, and recommends that the tariff sheets be approved effective November 19, 2001. The recommendation of the Gas Department – Tariffs/Rate Design Staff is attached as Attachment A hereto. Staff notes that good cause has been shown pursuant to §393.140 (11) RSMo 2000 to permit the tariff to become effective on less than thirty days notice. Staff also recommends that the rates be interim, subject to refund. Staff will file its results and recommendations regarding the information included in the ACA filing to the Commission on or before May 15, 2002, as ordered by the Commission in the Order Consolidating Cases and Order Establishing Procedural Schedule on May 22, 2001.

WHEREFORE, the Staff recommends that the Commission approve the proposed tariff sheets.

Respectfully submitted,

DANA K. JOYCE
General Counsel

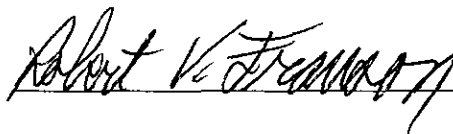


Robert V. Franson
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Certificate of Service

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 13th day of November, 2001.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2001-461, File No. 200200348,
Missouri Public Service

FROM: ^{HW} Henry Warren, Gas Department - Tariffs/Rate Design

Warren Wood by TMS
Energy Department/Date

Thomas R Schwanz Jr. 11/13/01
General Counsel's Office/Date

SUBJECT: Staff Recommendation For Missouri Public Service's Scheduled Winter Season PGA Filing Effective November 19, 2001.

DATE: November 9, 2001

On November 5, 2001, Missouri Public Service (MPS or Company), a division of UtiliCorp United Inc. of Kansas City, Missouri, filed tariff sheets proposed to become effective November 19, 2001. The tariff sheets were filed to reflect scheduled changes in MPS's Purchased Gas Adjustment (PGA) factors as the result of changes in the estimated cost of natural gas for the coming winter season. The winter season includes the months of November through March. Additionally, this tariff filing reflects the deletion of the Unscheduled Filing Adjustment Factor (UFA), and changes in the Actual Cost Adjustment and Refund factors that determine the net PGA.

For the Southern System (serving communities such as Sedalia and Clinton), the effect of these changes will decrease the PGA factor for the 2001 - 2002 winter season to \$0.65449 per Ccf from the firm PGA factor of \$0.78774 per Ccf currently in effect. There is a decrease in the cost of natural gas for the coming winter season; there is an increase in the ACA factor to correct for an under-collection in gas costs; an increase in the refund factor; and the UFA has been eliminated. These contribute to an overall decrease in the cost of gas to customers. The effect of the proposed rate on a typical residential heating customer using 888 Ccf for the winter season is a decrease of \$118.33 or 13% when compared to the rates currently in effect.

For the Northern System (serving communities such as Chillicothe and Trenton), the effect of these changes will decrease the net PGA factor for the 2001 - 2002 winter season to \$0.67395 per Ccf from the firm PGA factor of \$0.86348 per Ccf currently in effect. There is a decrease in the cost of natural gas for the coming winter season; there is an increase in the ACA factor to correct for an under-collection in gas costs; an increase in the refund factor; and the UFA has been eliminated. These contribute to an overall decrease in the cost of gas to customers. The effect of the proposed rate on a typical residential heating customer using 888 Ccf for the winter season is a decrease of \$168.29 or 17% when compared to the rates currently in effect.

For the Eastern System (serving communities such as Rolla and Owensville), the effect of these changes will decrease the net PGA factor for the 2001 - 2002 winter season to \$1.08009 per Ccf from the firm PGA factor of \$1.16476 per Ccf currently in effect. There is a decrease in the cost of natural gas for the coming winter season; there is an increase in the ACA factor to correct for an under-collection in gas

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OFFICIAL CASE FILE MEMORANDUM
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costs; and the UFA has been eliminated. These contribute to an overall decrease in the cost of gas to customers. The effect of the proposed rate on a typical residential heating customer using 888 Ccf for the winter season is a decrease of \$75.20 or 6% when compared to the rates currently in effect.

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

Because of the short time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding information included in this ACA filing to the Commission on or before May 15, 2002.

The Energy Department - Tariffs/Rate Design Staff (Staff) has reviewed this filing and has determined that it was calculated in conformance with MPS's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty days notice is demonstrated by MPS's PGA clause allowing for a minimum of ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet be approved, interim subject to refund:

P.S.C. MO. No. 5

23rd Revised Sheet No. 43, Canceling 22nd Revised Sheet No. 43
26th Revised Sheet No. 44, Canceling 25th Revised Sheet No. 44
16th Revised Sheet No. 44.1, Canceling 15th Revised Sheet No. 44.1

Copies: Director - Utility Operations Division
Director - Utility Services Division
General Counsel
Manager - Financial Analysis Department
Manager - Procurement Analysis Department
Manager - Energy 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 2001 | 97 | 107.04 |
| * | December | 179 | 189.91 |
| * | January 2002 | 236 | 247.52 |
| * | February | 217 | 228.32 |
| * | March | 159 | 169.70 |
| | 5 Month Winter Season Total | 888 | \$942.49 |

| | Winter Season with Unscheduled Filing (Months) | Ccf Usage | Total Fuel Bill (\$) |
|---|---|--------------|-------------------------|
| + | November 2001 | 97 | 94.11 |
| + | December | 179 | 166.06 |
| + | January 2002 | 236 | 216.08 |
| + | February | 217 | 199.40 |
| + | March | 159 | 148.51 |
| | 5 Month Winter Season Total | 888 | \$824.16 |

REMARKS

For a typical residential customer using approximately 888 Ccf during the winter season (November - March), natural gas rates will decrease by \$118.33 or approximately 13% 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 = \$0.78774 per Ccf;
- + Tariff Sheet No. 43: PGA Charge = \$0.65449 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 2001 | 97 | 114.38 |
| * | December | 179 | 203.47 |
| * | January 2002 | 236 | 265.40 |
| * | February | 217 | 244.76 |
| * | March | 159 | 181.74 |
| | 5 Month Winter Season Total | 888 | \$1,009.75 |

| | Winter Season with Unscheduled Filing (Months) | Ccf Usage | Total Fuel Bill (\$) |
|---|---|--------------|-------------------------|
| + | November 2001 | 97 | 96.00 |
| + | December | 179 | 169.55 |
| + | January 2002 | 236 | 220.67 |
| + | February | 217 | 203.63 |
| + | March | 159 | 151.61 |
| | 5 Month Winter Season Total | 888 | \$841.46 |

REMARKS

For a typical residential customer using approximately 888 Ccf during the winter season (November - March), natural gas rates will decrease by \$168.29 or approximately 17% 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 = \$0.86348 per Ccf;
- + Tariff Sheet No. 44: PGA Charge = \$0.67395 per Ccf;

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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 2001 | 97 | 143.61 |
| * | December | 179 | 257.40 |
| * | January 2002 | 236 | 336.50 |
| * | February | 217 | 310.13 |
| * | March | 159 | 229.65 |
| | 5 Month Winter Season Total | 888 | \$1,277.29 |

| | Winter Season with Unscheduled Filing (Months) | Ccf Usage | Total Fuel Bill (\$) |
|---|---|--------------|-------------------------|
| + | November 2001 | 97 | 135.39 |
| + | December | 179 | 242.24 |
| + | January 2002 | 236 | 316.52 |
| + | February | 217 | 291.76 |
| + | March | 159 | 216.18 |
| | 5 Month Winter Season Total | 888 | \$1,202.09 |

REMARKS

For a typical residential customer using approximately 888 Ccf during the winter season (November - March), natural gas rates will decrease by \$75.20 or approximately 6% 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 = \$1.16476 per Ccf
- + Tariff Sheet No. 44.1: PGA Charge = \$1.08009 per Ccf

Missouri Public Service Commission
 November 2001

Service List for
Case No. GR-2001-461
Revised: November 13, 2001 (ccl)

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