

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 23rd
day of April, 1993.

In the matter of United Cities Gas Company's)
tariff reflecting rate changes to be reviewed) CASE NO. GR-91-53
in Company's 1990-1991 Actual Cost Adjustment)
for its Neelyville District.)

In the matter of United Cities Gas Company's)
tariff reflecting rate changes to be reviewed) CASE NO. GR-92-20
in Company's 1991-1992 Actual Cost Adjustment)
for its Neelyville District.)

ORDER APPROVING ACTUAL COST ADJUSTMENT AND CLOSING DOCKETS

On July 20, 1992, United Cities Gas Company (United Cities) filed the 1991-1992 Actual Cost Adjustment (ACA) for its Neelyville District (Neelyville), covering the period of July, 1991 to May, 1992. On April 1, 1993, the Staff of the Commission (Staff) filed a memorandum concerning United Cities' 1991-1992 ACA filing.

Staff made one adjustment to United Cities' filing, decreasing gas cost by \$1,988 to reflect improper allocations of demand and reservation costs to Neelyville. According to Staff, United Cities incorrectly calculated Neelyville's allocation of demand and reservation charges at 10.29 percent. Staff calculated the correct allocation at 8.82 percent, a \$1,988 decrease to the cost of gas. Staff indicated that United Cities has agreed to this adjustment.

Staff also reviewed its proposed adjustments from United Cities' prior ACA case, Case No. GR-91-53. Staff carried all such adjustments forward to the current ACA period with the exception of take-or-pay (TOP) credits from Natural Gas Pipeline (NGPL) and Texas Eastern Transmission Company (TETCO). Based on United Cities' previous ACA case, Case No. GR-91-53, United Cities will receive refunds for overpayment of its total TOP liability under Federal Energy

Regulatory Commission (FERC) Order 528 in the amounts of \$4,361 from NGPL and \$704 from TETC. Currently (including Case Nos. GR-91-53 and GR-92-21), United Cities has received \$1,979 in TOP refunds from NGPL and \$556 in TOP refunds from TETC. Staff indicated that any remaining TOP refunds under FERC Order 528 will be made in the 1992-1993 ACA filing.

In its memorandum, Staff recommended that:

- (1) the demand ACA balance be adjusted by \$1,988 from \$9,863 over-recovery to \$11,851 over-recovery;
- (2) the commodity ACA balance remain unchanged at \$31,188 under-recovery;
- (3) the TOP ACA balance remain unchanged at \$303 under-recovery;
- (4) the Commission approve Staff's adjustment in this case, change the rates from "interim subject to refund" status to "permanent" status, close this docket, and close the preceding ACA docket, Case No. GR-91-53; and
- (5) Staff's adjustment be included as a separate line item adjustment applied to United Cities' 1992-1993 ACA balance.

In addition, the disallowance by the Commission of TOP surcharges in Case No. GR-90-233 is under appeal by United Cities. United Cities has stated that agreements on issues in this docket should not be considered a waiver of any issues which it considers to be at issue in its appeal. Also, the Commission notes that the closing of this docket should not be considered dispositive of any issue in the appeal of Case No. GR-90-233.

Based upon Staff's recommendation, the Commission determines that Staff's adjustment to United Cities' 1991-1992 ACA filing should be approved. The Commission also determines that United Cities' 1991-1992 ACA rates should be approved on a permanent basis and that this docket and Case No. GR-91-53 should be closed.

IT IS THEREFORE ORDERED:

1. That the adjustment to United Cities Gas Company's 1991-1992 Actual Cost Adjustment filing for its Neelyville District, as agreed to by the Commission's Staff and United Cities Gas Company, is hereby approved.

2. That the adjustment to United Cities Gas Company's 1991-1992 Actual Cost Adjustment filing, as approved in Ordered Paragraph 1, shall be included as a separate line item adjustment applied to United Cities Gas Company's 1992-1993 Actual Cost Adjustment balance.

3. That the Actual Cost Adjustment rates filed in this case by United Cities Gas Company for the period of 1991-1992 are hereby approved on a permanent basis.

4. That Case No. GR-91-53 is hereby closed.

5. That Case No. GR-92-20 is hereby closed.

6. That this Order shall become effective on May 4, 1993.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch,
Perkins and Kincheloe, CC., Concur.