

FILED

JAN 24 2000

MEMORANDUM

Missouri Public
Service Commission

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2000-392, File No. 200000600, United Cities Gas Company

FROM: Kim J. Elvington, Gas Department - Tariffs/Rate Design
James Matisaw 1-31-00 *Thomas R. Schwanz Jr. 1/24/00* *BMB 1-21-00*
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation on United Cities Gas Company's Hannibal-Canton
District PGA Filing, effective February 1, 2000

DATE: January 11, 2000

On December 29, 1999, United Cities Gas Company (United or Company) of Franklin, Tennessee, filed a tariff sheet proposed to become effective February 1, 2000, for its Hannibal-Canton District. The tariff sheet was filed to reflect changes in the Company's Purchased Gas Adjustment (PGA) factors as a result of a decrease in the cost of spot market gas.

The net effect of these changes will decrease annualized revenues by approximately \$1,243,700. The impact of these changes on a typical residential space-heating customer, consuming 217 Ccf in the month of February, would be a decrease of \$17.40. This represents an approximate decrease of 11.9% in this customer's bill.

Case No. GR-2000-392, under which this change was filed, was established to address United's PGA factors that will be reviewed in its 1999-2000 Actual Cost Adjustment (ACA) filing. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-99-280 and GR-2000-392.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed this filing and has determined it was calculated in conformance with United's PGA Clause. Therefore, Staff recommends that the following tariff sheet, be approved to become effective February 1, 2000, interim subject to refund:

P.S.C. MO. No. 3

83rd Revised SHEET No. 46, Cancelling 82nd Revised SHEET No. 46

Copies: Director - Utility Operations Division
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Director - Utility Services Division
General Counsel
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