BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of United Cities Gas)	
Company's Tariff Revision Designed)	
to be Reviewed in its 1997-1998)	Case No. GR-98-274
Actual Cost Adjustment for the Missouri)	
Service Area of the Company.)	

ORDER DIRECTING RESPONSE

This case was opened for the purpose of receiving the 1997-98 Purchased Gas Adjustment filings and Actual Cost Adjustment filing of United Cities Gas Company (UCGC). On September 28, 1999, the Procurement Analysis Department of the Staff of the Commission (Staff) filed a memorandum indicating that Staff has reviewed the Actual Cost Adjustment (ACA) filing of UCGC. Staff recommends that the Commission issue an order requiring UCGC to establish the ACA account balances in its next ACA filing to reflect the following ending balances to be collected from (or refunded to) the ratepayers:

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	Balance per		
	Company	Staff	Ending
	Filing	Adjustments	Balances
Bowling Green District:			
Demand ACA	\$ 0		\$ 0
Commodity ACA	\$ 88,541		\$ 88,541
Take-or-Pay	\$ (88)		\$ (88)
Refund	\$ (45,733)		\$ (45,733)
Hannibal/Canton District:			
Demand ACA	\$ (453,390)		\$(453,390)
Commodity ACA	\$ (498,402)		\$ (498,402)
Take-or-Pay	\$ (87,542)		\$ (87,542)
Refund	\$ (511,406)		\$ (511,406)
Neelyville District:			
Demand ACA	\$ 2,188		\$ 2,188
Commodity ACA	\$ (6,643)	\$ (3,516)	\$ (10,159)
Take-or-Pay	\$ (558)		\$ (558)
Refund	\$ (5,800)		\$ (5,800)
Palmyra District:			
Demand ACA	\$ (62,536)		\$ (62,536)
Commodity ACA	\$ (96,046)	\$ (24,048)	\$ (120,094)
Take-or-Pay	\$ (21,018)		\$ (21,018)
Refund	\$ (68,347)		\$ (68,347)

Staff further recommends that the Commission order UCGC to respond to Staff's recommendation within thirty days.

The Commission has reviewed the memorandum filed by Staff and determines that UCGC shall file a response to Staff's recommendation.

IT IS THEREFORE ORDERED:

1. That United Cities Gas Company shall file a response to the recommendation of the Staff of the Commission no later than October 30, 1999.

2. That this order shall become effective on October 12, 1999.

RY THE COMMISSION

Dale Hardy Roberts Secretary/Chief Regulatory Law Judge

(SEAL)

Lewis Mills, Deputy Chief Regulatory Law Judge, by delegation of authority pursuant to 4 CSR 240-2.120(1), (November 30, 1995) and Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri, on this 30th day of September, 1999.

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COMMISSION COUNSEL'
PUBLIC SERVICE COMMISSION