

FILED

JAN 24 2000

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GR-2000-392, File No. 200000598, United Cities Gas Company

FROM: Kim J. Elvington ^{WME} Gas Department - Tariffs/Rate Design ^{for}
for Mr. 1-21-00 *Thomas R. Schwanz Jr. 1/24/00 1/21-00*
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for United Cities Gas Company's Palmyra 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 Palmyra District. The tariff sheet was filed to reflect a change in the Company's Purchased Gas Adjustment (PGA) factors as a result of a decrease in the spot market cost of natural gas.

The net effect of these changes will decrease annualized revenues by approximately \$149,100. The impact of these changes on an average 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 13.1% in this customer's bill.

Case No. GR-2000-392, under which this change was filed, was established to address United's PGA factors 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 that it was calculated in conformance with United's PGA Clause. Therefore, Staff recommends that the proposed tariff sheet, be approved to become effective February 1, 2000, interim subject to refund:

P.S.C. MO. No. 3

53rd Revised Sheet No. 48.1 Cancelling 52nd Revised Sheet No. 48.1

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