

MEMORANDUM

FILED

JAN 24 2000

TO: Missouri Public Service Commission Official Case File  
Case No. GR-2000-392, File No. 200000599, United Cities Gas Company

FROM: Kim J. Elvington, Gas Department - Tariffs/Rate Design

*[Signature]*  
Utility Operations Division/Date

*[Signature]*  
General Counsel's Office/Date

SUBJECT: Staff Recommendation for United Cities Gas Company's Neelyville 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 Neelyville 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 spot market cost of natural gas.

The net effect of these changes will decrease annualized revenues by approximately \$31,400. The impact of these changes on a typical average residential space heating customer consuming 217 Ccf in the month of February would be a decrease of \$15.52. This represents an approximate decrease of 11.8% in this customer's bill.

Case No. GR-2000-392, under which this Neelyville 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 following proposed tariff sheet be approved to become effective February 1, 2000, interim subject to refund:

P.S.C. MO. No. 3

87th Revised Sheet No. 48 Cancelling 86th Revised Sheet No. 48

Copies: Director - Utility Operations Division  
Director - Research & Public Affairs Division  
Director - Utility Services Division  
General Counsel  
Manager - Financial Analysis Department  
Manager - Procurement Analysis Department  
Manager - Gas Department  
Mark G. Thessin, V.P. Regulatory Affairs (United)  
Mark A. Martin, Analyst/Rate Administrator (United)  
Office of the Public Counsel