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MEMORANDUM

FILED²

APR 18 2000

Missouri Public
Service Commission

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2000-392, File No. 200000904, United Cities
Gas Company

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

John H. Metzger 4/17/00 *Thomas R. Schwab Jr.* 4/17/00
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation For United Cities' Scheduled Summer Season
PGA Filing Effective May 1, 2000.

DATE: April 13, 2000

On April 3, 2000, United Cities Gas Company (United or Company) of Franklin, Tennessee, filed five tariff sheets proposed to become effective May 1, 2000. On April 13, 2000, United filed a substitute tariff sheet to correct an error. The tariff sheets were filed to reflect scheduled changes in United's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming summer season. The summer season includes the months of April through October. This filing will also eliminate the PGA factor summary tariff sheets that were used for the canceled PGA Clause.

For the Bowling Green District, the effect of these changes will increase the firm PGA factor for the 2000 summer season to \$0.4206 per Ccf from a firm PGA factor of \$0.3984 per Ccf used in the canceled PGA Clause.

For the Hannibal/Canton District, the effect of these changes will decrease the firm PGA factor for the 2000 summer season to \$0.3323 per Ccf from a firm PGA factor of \$0.3521 per Ccf used in the canceled PGA Clause.

For the Palmyra District, the effect of these changes will decrease the firm PGA factor for the 2000 summer season to \$0.3914 per Ccf from a firm PGA factor of \$0.4112 per Ccf used in the canceled PGA Clause.

For the Neelyville District, the effect of these changes will increase the firm PGA factor for the 2000 summer season to \$0.3091 per Ccf from a firm PGA factor of \$0.2911 per Ccf used in the canceled PGA Clause.

Case No. GR-2000-392, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 1999-2000 Actual Cost Adjustment (ACA) filing. Case No. GR-99-280 was established to track the

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Company's PGA factors to be reviewed in its 1998-1999 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. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty days notice is demonstrated by United's Commission-approved PGA clause allowing for a minimum of ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheets, as substituted, be approved interim subject to refund:

P.S.C. Mo. No. 3

6th Revised SHEET No. 58, Cancelling 5th Revised SHEET No. 58.
86th Revised SHEET No. 46, Cancelling 85th Revised SHEET No. 46.
87th Revised SHEET No. 47, Cancelling 86th Revised SHEET No. 47.
89th Revised SHEET No. 48, Cancelling 88th Revised SHEET No. 48.
56th Revised SHEET No. 48.1, Cancelling 55th Revised SHEET No. 48.1.

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