

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 20th  
day of July, 1993.

In Re United Cities Gas Company's proposed )  
tariffs designed to reflect new interstate ) Case No. GT-93-325  
pipeline restructured services. )

ORDER APPROVING STIPULATION AND AGREEMENT

On April 23, 1993, United Cities Gas Company (United) submitted tariff sheets to the Commission designed to reflect changes in its Purchase Gas Adjustment (PGA) clause to address contract changes with its suppliers, Panhandle Eastern Pipeline Company (PEPL) and Texas Eastern Transmission Corporation (TETC). The proposed tariffs were to become effective June 1, 1993. The Staff filed a recommendation, after review, asking the Commission to suspend the proposed tariffs pending a thorough examination of United's demand studies and supply configurations in order to make a reasonable analysis of which customer classes should assume the new costs. This occurred as the result of recent restructuring caused by the enactment of FERC Order 636.

On May 21, 1993, the Commission suspended the proposed tariffs to allow a thorough review of the issues in this case, and set an expedited schedule. A prehearing conference was held on June 10, 1993, which resulted in negotiations concluded by a Stipulation and Agreement, filed July 16, 1993, by and between United, the Staff of the Commission, and Office of Public Counsel (OPC).

The above stated Stipulation and Agreement, incorporated herein by reference as Attachment A, sets out the following matters agreed to by the parties:

1. That the parties agree to tariff sheets as attached to Attachment A and seek Commission approval for those tariffs with an effective date of August 1, 1993.

2. That the parties state that the Stipulation and Agreement represents a negotiated settlement for the sole purpose of disposing of the instant case and none of the signatories shall be bound by the terms in any other proceeding.

3. That none of the signatories to the Stipulation and Agreement shall be deemed to have approved of or acquiesced in any ratemaking principle, method of cost determination, or method of cost allocation underlying the agreement.

4. That the parties, upon approval of the Stipulation and Agreement, waive any right to a hearing and to cross-examine witnesses in this case.

The Commission has reviewed the Stipulation and Agreement and attached sample proposed tariffs and finds, in light of the extensive negotiations which took place, the Stipulation and Agreement to be reasonable. The Commission finds the agreement to be an efficient and expeditious solution to this case. In light of the expedited nature of this matter, the Commission will approve the Stipulation and Agreement and consider the proposed tariffs prior to the August 1, 1993, suspension deadline.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed in this case on July 16, 1993, and herein incorporated together with all attachments thereto by reference as Attachment A, is approved.

2. That this order shall become effective August 1, 1993.

BY THE COMMISSION

*Brent Stewart*

Brent Stewart  
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,  
and Crumpton, CC., Concur.  
Kincheloe, C., Absent.

*Neig*  
**FILED**

JUL 16 1993

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

MISSOURI  
PUBLIC SERVICE COMMISSION

In Re United Cities Gas Company's )  
proposed tariffs designed to )  
reflect new interstate pipeline )  
restructured services. )

Case No. GT-93-325

STIPULATION AND AGREEMENT

On April 23, 1993, United Cities Gas Company ("United Cities") submitted tariff sheets designed to reflect changes in its Purchased Gas Adjustment clause to address contract changes with its suppliers. The Staff reviewed the proposed tariffs preliminarily and recommended suspension and an expedited procedural schedule. The Commission issued an order suspending the implementation of the tariffs until September 29, 1993, and setting a prehearing conference.

In accordance with the Commission's order of May 21, 1993, the parties met for a prehearing conference on June 10, 1993, to discuss the proposed tariffs. Present were representatives from the Staff, the Office of the Public Counsel, and United Cities.

As a result of the discussions, United Cities has agreed to propose modified tariff sheets which make changes in the way demand costs are collected from customers. Specifically, certain reservation charges have been allocated to interruptible sales customers and other demand and capacity amounts have been restated to reflect actual levels. Specimen tariff sheets designed to give effect to the agreements reached through the negotiations are

contained in Attachment 1 hereto. Also attached for purposes of illustration is a one-page document identified as Exhibit 1 which shows how the various charges have been allocated pursuant to the agreement. The parties hereto have reached the following Stipulation and Agreement with respect to the tariff sheets:

1. The parties recommend that the Commission issue an order approving the filing of tariff sheets identical in content to those contained in Attachment 1 with an effective date of August 1, 1993, and close this docket after approval of the compliance filing.

2. This Stipulation and Agreement represents a negotiated settlement for the sole purpose of disposing of this case, and none of the signatories to this Stipulation and Agreement shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in any other proceeding.

3. None of the signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking principle or any method of cost determination or cost allocation underlying or allegedly underlying this Stipulation and Agreement and the rates provided for herein.


4. In the event the Commission accepts the specific terms of this Stipulation and Agreement, and the revised tariffs become effective in accordance with the provisions contained herein, the signatories waive any requirement for a hearing and their respective rights to cross-examine witnesses on the tariffs in this docket.

5. This Stipulation and Agreement has resulted from

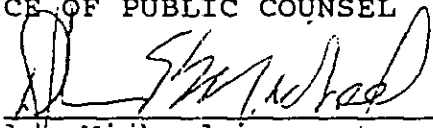
extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement in total, or in the event the revised tariffs do not become effective in accordance with the provisions contained herein, the Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

Respectfully submitted,

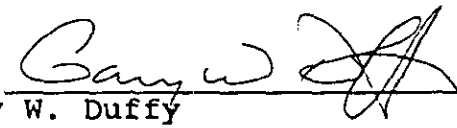
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UNITED CITIES GAS COMPANY

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Date: July 16, 1993

United Cities Gas Company  
Name of Issuing CorporationFor All Districts  
Community, Town or CityPURCHASED GAS ADJUSTMENT RIDER  
FOR ALL SERVICE AREAS (Continued)

Vt = Total Sales  
T = Total Estimated annualized or actual FERC  
Approved Surcharges.

## 3. Determination of Factors for Gas Charge Adjustment.

## a. Fixed Gas Costs (Factor D)

The sum of all fixed gas costs. For those gas costs which are derived by volumetric unit rates, the annualized gas costs shall be calculated by multiplying (1) the applicable supplier(s) rate(s) in effect on the first day of the filing month by (2) the applicable demand billing determinants or the applicable commodity billing determinants. For those gas costs which are not derived by volumetric unit rates, the annualized gas costs shall be calculated by multiplying the appropriate dollar amount in effect on the first day of the filing month by twelve (12).

## HANNIBAL/CANTON

WS Demand	56,400 Dth	*
WS Capacity	470,000 Dth	
WS Injection	470,000 Dth	
WS Withdrawal	470,000 Dth	
PS Demand	55,200 Dth	
PS Capacity	326,600 Dth	
PS Injection	326,600 Dth	
PS Withdrawal	326,600 Dth	
EFT Demand (PS)	34,060 Dth	

## NEELYVILLE

FTS Demand	2,376 Dth	*
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\*Indicates new rate or text  
+Indicates change

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
month day year month day yearISSUED BY Gene C. Koonce, President Brentwood, TN  
name of officer title address

United Cities Gas Company  
Name of Issuing CorporationFor All Districts  
Community, Town or CityPURCHASED GAS ADJUSTMENT RIDER  
FOR ALL SERVICE AREAS (Continued)

FSS Demand	480 Dth
FSS Capacity	4,764 Dth

\*

BOWLING GREEN  
Not Applicable

## b. Annualized Gas Costs (Factor P)

The sum of all annualized gas costs not included in Factor D. For those gas costs which are derived by volumetric unit rates, the annualized gas costs shall be calculated by multiplying (1) the applicable supplier(s) rate(s) in effect on the first day of the filing month by (2) the applicable demand-2 billing determinants or the applicable commodity billing determinants. For those gas costs which are not derived by volumetric unit rates, the annualized gas costs shall be calculated by multiplying the appropriate dollar amount in effect on the first day of the filing month by twelve (12).

## HANNIBAL/CANTON

EFT Demand	96,540 Dth
EFT Demand (WS)	39,724 Dth
IOS Demand	19,320 Dth
IOS Capacity	161,000 Dth
IOS Injection	161,000 Dth
IOS Withdrawal	161,000 Dth
Commodity	2,057,615 Dth

\*

## NEELYVILLE

Commodity	61,200 Dth
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## BOWLING GREEN

IOS Demand	6,240 Dth
IOS Capacity	52,000 Dth
IOS Interjection	52,000 Dth
IOS Withdrawal	52,000 Dth

\*Indicates new rate or text  
+Indicates change

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
month day year month day yearISSUED BY Gene C. Koonce, President Brentwood, TN  
name of officer title address



United Cities Gas Company  
Name of Issuing Corporation

For

All Districts

Community, Town or City

PURCHASED GAS ADJUSTMENT RIDER  
FOR ALL SERVICE AREAS (Continued)

## BOWLING GREEN

Commodity

209,930 Dth

## c. Firm Sales (Factor Vf)

Volumes billed to the Company's firm

customers during the Computation Period.

HANNIBAL/CANTON 18,309,962 Ccf

NEELYVILLE 600,004 Ccf

BOWLING GREEN 2,031,469 Ccf

## d. Total Sales (Factor Vt)

Total volumes billed to all the Company's  
customers during the Computation Period.

HANNIBAL/CANTON 20,293,957 Ccf

NEELYVILLE 600,004 Ccf

BOWLING GREEN 2,031,469 Ccf

## 4. Filing with the Commission

The Company shall file with the Commission a revised Gas Charge Adjustment when there is at least a 3% increase or decrease in the GCA factor for firm and non-firm customers.

The computation of the Gas Charge Adjustment shall be filed in accordance with the notice requirements specified in Subsection B of Section 1 of this Rider, and shall remain in effect until a revised Gas Charge Adjustment is computed and filed pursuant to this Rider.

The Company shall file with the Commission a transmittal letter, an exhibit showing the computation of the Gas Charge Adjustment, a PGA

\*Indicates new rate or text

+Indicates change

DATE OF ISSUE \_\_\_\_\_  
month day yearDATE EFFECTIVE \_\_\_\_\_  
month day yearISSUED BY Gene C. Koonce, President  
name of officerBrentwood, TN  
title address

UNITED CITIES GAS COMPANY  
GAS CHARGE ADJUSTMENT  
HANNIBAL AND CANTON DISTRICT

EXHIBIT I

	Rate Schedules	Volume of Gas
FIXED GAS COST		
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FACTOR D:		
Panhandle Eastern Pipe Line Company		
WS Demand	Dth	56,400
WS Capacity	Dth	470,000
WS Injection	Dth	470,000
WS Withdrawal	Dth	470,000
PS Demand	Dth	55,200
PS Capacity	Dth	326,600
PS Injection	Dth	326,600
PS Withdrawal	Dth	326,600
EFT Demand (PS)	Dth	34,060
TOTAL FACTOR D		
FACTOR Vf (Ccf)		
CURRENT DEMAND COST PER Ccf (TOTAL FACTOR D)/FACTOR Vf		
ANNUALIZED GAS COSTS		
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FACTOR P:		
Spot Market Commodity	Dth	2,057,615
Panhandle Eastern Pipe Line Company		
EFT Demand	Dth	96,540
EFT Demand (WS - Winter)	Dth	23,015
EFT Demand (WS - Summer)	Dth	16,709
IOS Demand	Dth	19,320
IOS Capacity	Dth	161,000
IOS Injection	Dth	161,000
IOS Withdrawal	Dth	161,000
TOTAL FACTOR P		
FACTOR Vt (Ccf)		
CURRENT ANNUALIZED GAS COSTS PER Ccf (TOTAL FACTOR P)/FACTOR Vt		
FERC APPROVED SURCHARGES		
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FACTOR T:		
Panhandle Eastern Pipe Line Company		
TOTAL FACTOR T		
FACTOR Vt (Ccf)		
CURRENT ANNUALIZED FERC APPROVED SURCHARGES PER Ccf (TOTAL FACTOR T)/FACTOR Vt		
FIRM GCA (FACTORS D+P+T)		
NON-FIRM GCA (FACTORS P+T)		

EXHIBIT 1.