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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 22nd  
day of February, 1995.

In the matter of United Cities     )  
Gas Company's tariff revisions     )  
designed to increase rates for     )  
gas service provided to the         )  
customers in the Missouri           )  
service area of the company.        )

Case No. GR-95-160

ORDER ADOPTING TEST YEAR

On November 10, 1994, United Cities Gas Company (UC) filed tariffs with the Commission reflecting increased rates for gas service to customers in its Missouri service area. The Commission issued its order suspending the tariffs on November 15, 1994, and, in addition, ordered all parties to state their positions in regard to the appropriate test year to be adopted in this case. On January 13, 1995, UC filed direct testimony in which it recommended calendar year 1994, ending December 31, 1994, with "adjustments" for known and measurable changes, be adopted.

On February 17, 1995, the Staff of the Commission and Office of Public Counsel filed test year recommendations. The Staff and OPC also sought calendar year 1994, ending December 31, 1994, as the test year, with "adjustments" for known and measurable changes.

Upon review, the Commission finds that the recommended test year of calendar year 1994, ending December 31, 1994, is reasonable and appropriate and will be adopted as the test year in this case. The Commission is of the opinion that the above stated test year will result in rates based on the most current, accurate data available.

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The Commission will consider, in the case-in-chief and as a question of fact, whether other isolated changes are known and measurable, capable of being accurately ascertained, and do not violate the relationship between revenue, rate base, and expense.

UC did not request a true-up hearing in its prefiled direct testimony. There is currently no request and, therefore, no issue involving a true-up before the Commission. If a request for true-up is made by Staff or other party, then the Commission will consider the issue at that time.

IT IS THEREFORE ORDERED:

1. That the test year to be used in this case will be the calendar year 1994, ending December 31, 1994, with isolated changes thereafter as determined by the Commission.

2. That this order shall become effective on the date hereof.

BY THE COMMISSION

A handwritten signature in cursive script, reading "David L. Rauch".

David L. Rauch  
Executive Secretary

(S E A L)

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