

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 18th
day of June, 1998.

In the Matter of United Cities Gas)
Company's Tariff Revisions Designed)
to be Reviewed in its 1995-1996)
Actual Cost Adjustment for the)
Missouri Service Area of the Company.)
Case No. GR-96-197

ORDER ESTABLISHING ACA BALANCE AND CLOSING CASE

This case was established to track the Purchased Gas Adjustment (PGA) changes to be reviewed in United Cities Gas Company's (United Cities' or Company's) 1996-1997 annual Actual Cost Adjustment (ACA) filing.

On September 30, 1997, the Procurement Analysis Department of the Staff of the Commission (Staff) filed a memorandum indicating that Staff has reviewed the 1995-1996 ACA filing of United Cities. Staff stated that it audited the billed revenues and actual gas costs for the period of June 1, 1995 through May 31, 1996, and examined the prudence of the Company's gas purchasing decisions.

Staff recommends that the Commission issue an order requiring United Cities to establish the ACA account balances in its next ACA filing to reflect the following ending balances to be collected from (or refunded to) the ratepayers:

	Balance per United Cities Filing	Staff Adjustment	Ending ACA Balance
Hannibal/Canton District:			
Commodity ACA	\$86,256	\$(31,477)	\$54,779
Take-or-Pay	\$(24,877)	\$0	\$(24,877)
Refund	\$(6,151)	\$0	\$(6,151)
Palmyra District:			
Commodity ACA	\$(22,213)	\$(12,724)	\$(34,937)
Take-or-Pay	\$(116,772)	\$0	\$(116,772)
Refund	\$(9,965)	\$0	\$(9,965)
Bowling Green District:			
Commodity ACA	\$(77,244)	\$616	\$(76,628)
Take-or-Pay	\$144	\$0	\$144
Refund	\$(1,606)	\$0	\$(1,606)
Neelyville District:			
Demand ACA	\$(10,739)	\$0	\$(10,739)
Commodity	\$65,314	\$(2,720)	\$62,594
Take-or-Pay	\$(2,031)	\$0	\$(2,031)
Refund	\$166	\$0	\$166

On October 1, 1997, the Commission ordered the Company to respond to Staff's recommendation no later than October 30. On October 30 the Company filed a Response to Staff Recommendation and indicated that the Company agrees with the Staff's recommendation. The Company requested that the Commission issue an order approving the ending balances shown in the Staff

recommendation and closing the case.

The Commission has reviewed the memorandum filed by Staff, the response filed by the Company and the entirety of the file. The Commission determines that the ending balances shown in the Staff recommendation are reasonable and should be approved. The Commission further determines that this case should be closed.

IT IS THEREFORE ORDERED:

1. That United Cities Gas Company shall establish Actual Cost Adjustment account balances in its next Actual Cost Adjustment filing to reflect the following balances to be collected from (or refunded to) the ratepayers:

	Ending ACA Balance
Hannibal/Canton District:	
Commodity ACA	\$54,779
Take-or-Pay	\$(24,877)
Refund	\$(6,151)
Palmyra District:	
Commodity ACA	\$(34,937)
Take-or-Pay	\$(116,772)
Refund	\$(9,965)
Bowling Green District:	
Commodity ACA	\$(76,628)
Take-or-Pay	\$144
Refund	\$(1,606)

	Ending ACA Balance
Neelyville District:	
Demand ACA	\$(10,739)
Commodity	\$62,594
Take-or-Pay	\$(2,031)
Refund	\$166

2. That this order shall become effective on June 30, 1998.
3. That this case may be closed on July 1, 1998.

BY THE COMMISSION

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer and Drainer, CC., concur.

Mills, Deputy Chief Regulatory Law Judge