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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 23rd day of December, 1997.

In the Matter of the Operation of)
United Cities Gas Company's) **Case No. GO-97-410**
Purchased Gas Adjustment Clause.)

**ORDER DENYING APPLICATION FOR REHEARING AND
GRANTING RECONSIDERATION *SUA SPONTE***

On November 26, 1997, the Commission issued its Report and Order and made the order effective December 9. In that order the Commission took official notice of the stipulation and agreements entered into by the other nine local gas distribution companies¹ in Missouri for the specific and limited purpose of demonstrating that each of these other companies will operate with a scheduled winter PGA filing, a scheduled summer PGA filing, and an unscheduled winter PGA filing. Furthermore, that order directed United Cities Gas Company to file tariff sheets no later than December 24 to effectuate the filing of one scheduled winter PGA filing, one unscheduled winter PGA filing, and one scheduled summer filing.

On December 8 United Cities Gas Company (United Cities) filed an Application For Rehearing And Motion For Stay of the requirement to file a revised tariff no later than December 24. The Commission has reviewed the Report and Order, the evidence, and the applicable laws. The Commission finds insufficient reason to grant a rehearing because the

¹Laclede Gas Company, Associated Natural Gas Company, Missouri Public Service, a division of UtiliCorp United, Inc., St. Joseph Light & Power Company, Union Electric Company, Fidelity Natural Gas Company, Southern Missouri Gas Company, Greeley Gas Company, and Missouri Gas Energy, a division of Southern Union, Inc.

record contains sufficient facts for the Commission to reconsider its findings. Therefore, the Commission will deny the Application For Rehearing and grant reconsideration *sua sponte*.

United Cities argues that it was not appropriate for the Commission to take official notice of the agreements entered into by the other regulated gas companies in the state. Mince v. Mince, 481 S.W.2d 610, 614 (Mo. App. 1972) and Section 536.070(6) RSMo. suggest that parties should have an opportunity to respond to matters sought to be judicially noticed. Since the Commission took official notice of the agreements entered into by the other companies contemporaneously with making findings relating to frequency of PGA filings of United Cities, the parties were not afforded this opportunity. Upon reconsideration the Commission will modify the Report and Order to delete ordered paragraph 1 where the Commission took official notice of the stipulation and agreements filed in Case Nos. GO-97-401 through GO-97-409.

The Staff's position is that United Cities should file PGA rate filings annually. The evidence, taken as a whole, does not demonstrate that it is necessary for United Cities to revise its tariff. Upon reconsideration the Commission will rescind the requirement that United Cities revise its tariff to reflect a different method for making PGA filings.

United Cities also takes exception with the sentence on page 3 of the Commission's Report and Order which reads: "However, if in the future United Cities changes its billing system it should implement proration of PGA charges as part of any new billing system." United Cities maintains that the Staff failed to sustain its burden of proof to show by "clear and satisfactory" evidence in the record that a change in the United Cities billing system is an event which should trigger proration and that

the Commission's findings on this issue are insufficient for a reviewing court to determine the Commission's rationale for reaching this conclusion. United Cities requests that the Commission delete the above-quoted sentence from the Report and Order. Upon reconsideration the Commission determines that the above-referenced sentence should be deleted and will order that its Report and Order issued November 26 is so modified.

IT IS THEREFORE ORDERED:

1. That the Application For Rehearing And Motion For Stay filed by United Cities Gas Company on December 8, 1997 is denied.

2. That the Commission grants reconsideration *sua sponte*.

3. That the Report and Order issued on November 26 is modified insofar as ordered paragraph 1 which took official notice of the stipulation and agreements filed in Case Nos. GO-97-401 through GO-97-409 for the purpose of demonstrating the industry standard for the frequency of purchased gas adjustment (PGA) filings in this state is removed.

4. That the requirement that United Cities Gas Company revise its tariff to effectuate the filing of one scheduled winter PGA filing, one unscheduled winter filing, and one scheduled summer filing in a manner similar to the other nine local distribution companies in the state is rescinded.

5. That the Report and Order issued on November 26 is modified insofar as the sentence on page 3 which reads: "However, if in the future United Cities changes its billing system it should implement proration of PGA charges as part of any new billing system." is deleted.

6. That this order shall become effective on December 23,
1997.

BY THE COMMISSION

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive style with a large initial "D".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Murray, and Drainer, CC., concur.
Crumpton, C., not participating.

Luckenbill, Deputy Chief Regulatory Law Judge