

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

October 29, 2001

CASE NO: GR-2001-397

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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of United Cities Gas Company's)	<u>Case No. GR-2001-397</u>
Purchased Gas Adjustment Tariff Revisions to be)	Tariff No. 200200298
Reviewed in Its 2000-2001 Actual Cost Adjustment.)	

ORDER APPROVING INTERIM RATES

United Cities Gas Company filed tariff sheets with the Commission on October 18, 2001, carrying an effective date of November 1, 2001. The tariff sheets reflect scheduled changes in United Cities' Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season. The winter heating season includes the months of November through March.

On October 26, 2001, the Staff of the Commission filed its Memorandum and Recommendation. Staff recommends that United Cities' proposed tariff sheets be approved for service on and after November 1, 2001, as an interim rate, subject to refund. Staff further advises the Commission that United Cities has shown good cause such that its tariff sheets should be approved on less than 30 days notice.

For each of the districts served by United Cities, the effect of the changes made by the tariff will be as follows:

Palmyra District – Decrease the firm PGA factor from \$0.9008 per Ccf to \$0.4562 per Ccf;

Bowling Green District – Decrease the firm PGA factor from \$0.7964 per Ccf to \$0.4579 per Ccf;

Hannibal/Canton District – Decrease the firm PGA factor from \$0.7819 per Ccf to \$0.4587 per Ccf; and

Neelyville District – Decrease the firm PGA factor from \$0.7771 per Ccf to \$0.5833.

Staff states that United Cities' proposed PGA factor changes were calculated in conformity with United Cities' PGA clause. Staff further states that United Cities' PGA clause allows for ten business days notice for filings reflecting PGA changes and that, under the circumstances, good cause exists to approve the proposed tariff sheet on less than 30 days notice. Staff recommends that the Commission approve the tariff sheets *to become effective November 1, 2001, on an interim basis, subject to refund, pending a final Commission decision in United Cities' ACA cases, Case No. GR-2000-392 and GR-2001-397.* Staff also requests that the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of the ACA period and submit its results and recommendations regarding this ACA filing on or before May 15, 2002.

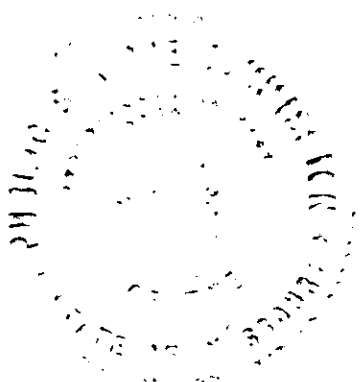
The Commission has reviewed the proposed tariff sheets and Staff's Memorandum and Recommendation. The Commission finds that the tariff sheets conform to the company's Commission-approved PGA Clause and are therefore reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes that the proposed tariff sheets should be approved to become effective on and after the requested effective date of November 1, 2001, interim subject to refund.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 29th day of Oct. 2001.



Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

