

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: UNITED CITIES GAS COMPANY	DOCKET NO. ECR-96-4
---	---------------------

ORDER APPROVING COST RECOVERY FACTORS

(Issued April 23, 1999)

On March 1, 1999, United Cities Gas Company (United Cities) filed with the Utilities Board (Board) an application for cost recovery of energy efficiency costs. The application contained United Cities' revised energy efficiency cost recovery (ECR) factors. If the revised ECR factors are approved, United Cities states it will file tariffs to implement the factors, to be effective with the first billing cycle in June 1999.

The ECR factors are consistent with IOWA CODE § 476.6(19) (1999) and IOWA ADMIN. CODE 199-chapter 35.12 (1999) and the Board will approve them. The statute and rule allow a utility to recover previously approved costs, deferred past costs, and estimated contemporaneous energy efficiency expenditures through an automatic adjustment mechanism. However, United Cities cannot implement the revised factors until tariffs are filed and approved by the Board.

IT IS THEREFORE ORDERED:

1. The application for recovery of energy efficiency costs, including revised ECR factors, filed by United Cities Gas Company on March 1, 1999, is approved.

2. United Cities Gas Company shall file proposed tariffs consistent with this order at least 30 days prior to the proposed effective date.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Emmit J. George, Jr.

ATTEST:

/s/ Raymond K. Vawter, Jr. /s/ Paula S. Dierenfeld
Executive Secretary

Dated at Des Moines, Iowa, this 23rd day of April, 1999.