

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

<p>IN RE:</p> <p>PEOPLES NATURAL GAS COMPANY, DIVISION OF UTILICORP UNITED INC.</p>	<p>DOCKET NO. 199 IAC 33.5 (INU-94-2)</p>
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ORDER ACCEPTING COST ALLOCATION MANUAL UPDATE

(Issued March 12, 2002)

On December 31, 2001, Peoples Natural Gas Company, Division of UtiliCorp United Inc. (Peoples), filed an updated 2002 cost allocation manual to comply with the requirements of 199 IAC 33.5(476). Rule 199 IAC 33.5 requires that Peoples file an updated manual annually or when a new nonutility business is added, an existing nonutility business is dropped, an affiliate relationship changes, operations affecting nonutility businesses change sufficiently to warrant a new allocation method, or accounting practices change.

The updated manual is in the same format as prior manuals and addresses the information required by 199 IAC 33.5(1)"a" through "j." The manual is updated to reflect changes in UtiliCorp United Inc.'s department structure and specific cost allocation methodologies. The manual has also been updated to identify the assignment of the current cost drivers.

Interested parties have 60 days to file an objection to the manual updates. No objections have been filed. The Board finds the manual, as updated, is generally

acceptable and in compliance with Board's rules and the Board will not schedule an oral presentation pursuant to 199 IAC 33.5(2)"d."

IT IS THEREFORE ORDERED:

The cost allocation manual filed by Peoples Natural Gas Company, Division of UtiliCorp United Inc., on December 31, 2002, is accepted.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 12th day of March, 2002.