STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 5th day of October 1994.

In the matter of Gas Service's tariff revisions)
for the Palmyra service area to be reviewed in the)
Actual Cost Adjustment for the period February 1,) Case No. GR-94-227
1994 through June 30, 1994. (This service area is now)
being served by United Cities Gas Company effective)
February 28, 1994.)

ORDER APPROVING PALMYRA DISTRICT INTERIM PGA RATES EFFECTIVE NOVEMBER 1, 1994

On September 27, 1994, United Cities Gas Company (United) of, Brentwood, Tennessee, submitted to this Commission for approval, a tariff sheet which reflects a decrease in the Purchased Gas Adjustment (PGA) factors for its Palmyra District resulting from changes in Panhandle Eastern Pipe Line Company's transportation and storage charges and in the spot market gas costs. Additionally, the Avoided Commodity Cost for Transportation Customers will decrease.

On February 1, 1994, Missouri Gas Energy purchased all of the Western Resources, Inc. (Western) Missouri service territory except the Palmyra area. The Palmyra area was subsequently sold to United on March 1, 1994. Case No. GR-94-101 was established to track Western's 1993-1994 Actual Cost Adjustment (ACA) activity. Case No. GR-94-227, under which this Palmyra District change was filed, was established to track the 1993-1994 ACA activity for the Palmyra area occurring between February 1 and June 30, 1994. The Palmyra service area's 1993-1994 ACA activity occurring between July 1, 1993, and January 31, 1994, will be tracked in Western's Case No. GR-94-101, and will be combined with the activity in Case No. GR-94-227 for the purposes of the 1993-1994 Palmyra ACA audit. Final Commission decisions in the former Western ACA Case Nos. GR-92-80 and GR-93-140 for the 1991-1992 and 1992-1993 ACA periods, respectively, are still pending.

The Missouri Public Service Commission Staff (Staff) has recommended that the filing be approved interim subject to refund, pending the final Commission decisions in Western's ACA Case Nos. GR-92-80 and GR-93-140.

After reviewing Staff's recommendation, the Commission is of the opinion that the proposed tariff sheet should be allowed to go into effect on and after the requested effective date of November 1, 1994, interim subject to refund.

IT IS THEREFORE ORDERED:

That the following tariff sheet submitted September 27, 1994, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting a decrease in the PGA factors and the Avoided Commodity Cost for Transportation Customers factors, for the Palmyra District as the result of changes in Panhandle Eastern Pipe Line Company's transportation and storage changes and in the spot gas costs, be and it is, hereby authorized to become effective on and after November 1, 1994, interim subject to refund.

P.S.C. MO. No. 3 6th Revised SHEET No. 48.1 Cancelling 5th Revised SHEET No. 48.1

2. That this order shall become effective on November 1, 1994.

BY THE COMMISSION

David L. Rauch

Executive Secretary

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(SEAL)

Mueller, Chm., McClure, Perkins, Kincheloe, and Crumpton, CC., Concur.