

STATE OF MISSOURI

PUBLIC SERVICE COMMISSION

In the matter of United Cities Gas Company of Brentwood,)
Tennessee, for authority to file a tariff reflecting a)
change in rates in the Hannibal-Canton District, to be) Case No. GR-90-39
reviewed in the Company's 1989-1990 ACA filing pursuant)
to Company's PGA Clause on file with the Commission.)

ORDER APPROVING HANNIBAL-CANTON DISTRICT PGA EFFECTIVE MARCH 2, 1990

On August 18, 1989, United Cities Gas Company (United) of Brentwood, Tennessee, submitted to this Commission for approval, a tariff reflecting a FERC authorized change in the cost of gas purchased from its supplier in the Hannibal-Canton District, Panhandle Eastern Pipe Line Company (PEPL).

On February 20, 1990, United submitted to this Commission for approval, a tariff reflecting a FERC authorized change in the cost of gas purchased from its supplier in the Hannibal-Canton District, PEPL. The effect of this change will be a decrease in annualized revenues of approximately \$217,000. The Regular PGA factor will decrease by \$0.0120 per therm to \$(0.1024) per therm.

The Commission on January 31, 1990, issued an order in which it denied a motion by Public Counsel to suspend the take-or-pay (TOP) portion of United's PGA tariffs. The Commission denied the motion because there was no final and appealable order in Associated Gas Distributors vs. FERC, Case No. 88-1385 (Dec. 28, 1989), which was the basis of Public Counsel's motions.

The Commission gave interested persons until February 20, 1990, to file any additional pleadings on this issue. No additional pleadings were filed.

The Commission has reviewed its decision on this issue and has determined that the TOP portion of United's tariffs should continue to be collected. When there is a definitive decision on this issue at the Federal

level, interested parties may request the Commission to again address this issue.

It is the Staff of the Missouri Public Service Commission's (Staff) opinion that the proposed March 2, 1990, filing is in compliance with the United's current PGA Clause. Staff therefore recommends that the tariff be approved.

Based on Staff's recommendation and for good cause shown pursuant to Section 393.140(11) RSMo 1986, the Commission is of the opinion that the tariff should be allowed to go into effect on and after the requested effective date, March 2, 1990.

It is, therefore,

ORDERED: 1. That the following tariff sheet submitted by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting a decrease in wholesale gas costs in the Hannibal-Canton District be, and it is, hereby authorized to become effective on and after the requested effective date, March 2, 1990.

P.S.C. Mo. No. 2

8th Revised Sheet No. 12.5 cancelling 7th Revised Sheet No. 12.5

ORDERED: 2. That this Order shall become effective on the date

hereof.

(S E A L)

Cecil I. Wright, Deputy Chief Hearing Examiner, by delegation of authority under Commission Directive of July 28, 1989, pursuant to Section 386.240, R.S.Mo. 1986.

Dated at Jefferson City, Missouri, on this 28th day of February, 1990.

BY THE COMMISSION

Harvey G. Hubbs
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Secretary