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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of United Cities Gas Company's)
tariff revisions designed to be reviewed in)
its 1998-1999 Actual Cost Adjustment for the)
Missouri service area of the Company.)

Case No. GR-99-280

ORDER APPROVING INTERIM NEELYVILLE DISTRICT RATES

United Cities Gas Company (United) of Franklin, Tennessee, submitted a tariff sheet to the Commission on July 29, 1999 carrying an effective date of September 1, 1999. The tariff sheet was filed to reflect a change in the Neelyville District's Purchased Gas Adjustment (PGA) factor as a result of an increase in the spot market cost of gas. This change will increase United's annualized revenues by approximately \$6,400. The impact on a typical residential space-heating customer using 30 Ccf of natural gas in the month of September will be an increase of \$0.39, or 1.6%.

The Missouri Public Service Commission Staff (Staff) filed a memorandum stating that the change in United's PGA was calculated in conformance with its approved PGA Clause and recommends that the Commission approve the tariff sheet to become effective on September 1, 1999. Staff recommended that the tariff sheet submitted in this filing be approved, interim subject to refund, pending final Commission decisions in Case Nos. GR-98-274 and GR-99-280.

The Commission has reviewed the tariff sheet and Staff's recommendation, and finds that the tariff sheet conforms to the Company's Commission approved PGA Clause and is therefore reasonable. After considering Staff's recommendation, the Commission finds that the proposed tariff sheet should be allowed to become effective on and after the requested effective date, September 1, 1999, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on July 29, 1999, by United Cities

Gas Company of Franklin, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Neelyville District, be, and it is, hereby approved to become effective on and after September 1, 1999, interim subject to refund.

The tariff sheet approved is:

P.S.C. MO. No. 3

83rd Revised Sheet No. 48 Cancelling 82nd Revised Sheet No. 48

2. That this order shall become effective on September 1, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lewis Mills, Deputy Chief Regulatory Law Judge, by delegation of authority pursuant to 4 CSR 240-2.120(1), (November 30, 1995) and Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 5th day of August, 1999.

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AUG 6 1999
COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION