

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
February 22, 2000**

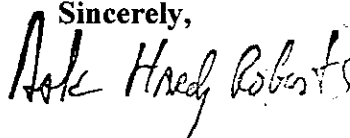
CASE NO: GR-2000-392

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General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Mark A. Martin, Senior Analyst
United Cities Gas
810 Crescent Centre Drive, Suite 600
Franklin, TN 37067-6226

Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,


**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

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) Case No. GR-2000-392
its 1999-2000 Actual Cost Adjustment for the)
Missouri service area of the Company.)

ORDER APPROVING INTERIM PALMYRA DISTRICT RATES AND VARIANCE REQUEST

United Cities Gas Company (United) of Franklin, Tennessee, submitted a REQUEST FOR VARIANCE FROM TARIFF PROVISIONS (Variance) and a tariff sheet to the Commission on January 28, 2000, carrying an effective date of March 1, 2000. The Variance will allow United to extend the time permitted by its tariff to collect the current balance in its Actual Cost Adjustment (ACA) account over a 24-month period as opposed to the normal one-year period. The tariff sheet is also designed to reflect changes in the Purchased Gas Adjustment (PGA) factors for its Palmyra District as a result of an increase in the spot market gas cost and the adjustment to its ACA factor. The net effect of these changes will decrease the Palmyra PGA factor from \$0.4171 per Ccf to \$0.3861 per Ccf.

The Missouri Public Service Commission Staff (Staff) filed a memorandum which recommended that the Variance filed by United on January 28, 2000, be granted and that the tariff changes made were reasonable. Staff further recommended that the tariff sheet submitted be approved, interim subject to refund, pending final Commission decisions in Case Nos. GR-99-280 and GR-2000-392.

The Commission has reviewed the Variance, tariff sheet and Staff's recommendation, and finds that the proposed Variance should be granted and the tariff sheet should be allowed to become effective on and after the requested effective date, March 1, 2000, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the Variance submitted on January 28, 2000, by United Cities Gas Company of Franklin Tennessee, for the purpose of extending the permitted time for recovery of the current balance in its ACA account, in its Palmyra District, be, and it is, hereby granted.

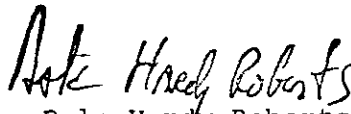
2. That the tariff sheet submitted on January 28, 2000, by United Cities Gas Company of Franklin, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Palmyra District, be, and it is, hereby approved to become effective on and after March 1, 2000, interim subject to refund. The tariff sheet approved is:

P.S.C. MO. No. 3

54th Revised Sheet No. 48.1 Cancelling 53rd Revised Sheet No. 48.1

3. That this order shall become effective on March 1, 2000.

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 22nd day of February, 2000.

ALJ/Sec'y: Mills
2/17/00 GR-2000-392
Date Circulated CASE NO.
[Signature]
Lumpe, Chair
[Signature]
Crumpton, Commissioner
[Signature]
Murray, Commissioner
[Signature]
Schemenauer, Commissioner
[Signature]
Drainer, Vice-Chair
N/A
Agenda Date
Action taken: _____
Must Vote Not Later Than _____

STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 22nd day of FEBRUARY 2000.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

