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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) Case No. GR-99-280
its 1998-1999 Actual Cost Adjustment for the)
Missouri service area of the Company.)

ORDER APPROVING INTERIM PALMYRA DISTRICT RATES

United Cities Gas Company (United) of Franklin, Tennessee, submitted a tariff sheet to the Commission on August 30, 1999 carrying an effective date of October 1, 1999. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Palmyra District due to an increase in the spot market gas cost. The effect of this change will increase United's annualized revenues by approximately \$78,300. The impact on a typical residential space-heating customer using 42 Ccf of natural gas in the month of October will be an increase of \$1.41, or 6.1%.

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 October 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, October 1, 1999, interim subject to refund.

IT IS THEREFORE ORDERED:

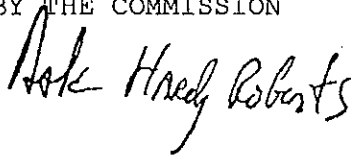
1. That the tariff sheet submitted on August 30, 1999, by United Cities Gas Company of Franklin, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Palmyra District, be, and it is, hereby approved to become effective on and after October 1, 1999, interim subject to refund. The tariff sheet approved is:

P.S.C. MO. No. 3

51st Revised Sheet No. 48.1 Cancelling 50th Revised Sheet No. 48.1

2. That this order shall become effective on October 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 23rd day of September, 1999.

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION