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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 NEELYVILLE DISTRICT RATES

United Cities Gas Company (United) of Franklin, Tennessee, submitted a tariff sheet to the Commission on November 30, 1999 carrying an effective date of January 1, 2000. The tariff sheet is designed to reflect changes in Neelyville District's Purchased Gas Adjustment (PGA) factors as a result of an increase in the spot market gas cost, a decrease in the annual Actual Cost Adjustment (ACA) factor and a revision to the refund factor. The effect of these changes will increase United's annualized revenues by approximately \$16,900. The impact on a typical residential space-heating customer using 236 Ccf of natural gas in the month of January will be an increase of \$0.90, or 0.6%.

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 January 1, 2000. Staff recommended that the tariff sheet submitted in this filing be approved, interim subject to refund, pending a final Commission decision in Case No. GR-99-280.

The Staff also requested that the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of the ACA period and submit its results and recommendations regarding this ACA filing on or before

October 1, 2000.

The Commission has reviewed the tariff sheet, Staff's recommendation and request, 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, January 1, 2000, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on November 30, 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 January 1, 2000, interim subject to refund. The tariff sheet approved is:

P.S.C. MO. No. 3

86th Revised Sheet No. 48 Cancelling 85th Revised Sheet No. 48

2. That the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of this ACA period and submit its results and recommendations regarding this ACA filing on or before October 1, 2000.

3. That this order shall become effective on January 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
23rd day of December, 1999.