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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 28th
day of October, 1997.

In the matter of United Cities Gas Company's)	
tariff revisions designed to be reviewed in)	Case No. GR-97-259
its 1996-1997 actual cost adjustment for the)	
Missouri service area of the company.)	

ORDER APPROVING INTERIM HANNIBAL-CANTON DISTRICT RATES

United Cities Gas Company (United) of Brentwood, Tennessee, submitted a tariff sheet to the Commission on September 25, 1997, carrying an effective date of November 1, 1997. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Hannibal-Canton District as a result of an increase in the spot market gas cost and changes in rates for tariffed transportation services provided by Panhandle Eastern Pipe Line Company, United's pipeline supplier for this district. The net effect of these changes will increase United's annualized revenues by approximately \$889,600. The impact on a typical residential space heating customer using 97 Ccfs of natural gas in the month of November will be an increase of \$4.31, or 6.9%.

The Staff of the Commission (Staff) filed a memorandum stating that these changes 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 November 1, 1997. Staff recommended that the tariff sheet be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-96-197 and GR-97-259.

The Commission has reviewed the tariff sheet and Staff's recommendation, and finds that the proposed tariff conforms to United's Commission-approved PGA Clause and is therefore reasonable. After considering Staff's recommendation, the Commission is of the opinion that the proposed tariff sheet should be approved to become effective on and after the requested effective date of November 1, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted September 25, 1997, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Hannibal-Canton District, is approved on an interim basis, subject to refund, to become effective on November 1, 1997. The tariff sheet approved is:

P.S.C. MO. No. 3

61st Revised SHEET No. 46, Cancelling 60th Revised SHEET No. 46

2. That this order shall become effective on November 1, 1997.

BY THE COMMISSION



Cecil I. Wright
Executive Secretary

(S E A L)

Lumpe, Chm., Murray, and Drainer, CC., Concur.
Crumpton, C., Dissent.
ALJ: Luckenbill