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At a session of the Public Service Commission held at its office in Jefferson City on the 27th day of August, 1997.

In the matter of United Cities Gas Company's
tariff revisions designed to be reviewed in
its 1996-1997 actual cost adjustment for the
Missouri service area of the company.

ORDER APPROVING INTERIM PALMYRA DISTRICT RATES

United Cities Gas Company (United) of Brentwood, Tennessee, submitted a tariff sheet to the Commission on July 29, 1997, carrying an effective date of September 1, 1997. The tariff sheet was filed to reflect changes in Palmyra District's Purchased Gas Adjustment (PGA) factors as a result of a decrease in the spot market gas cost and decreases in tariffed transportation services provided by Panhandle Eastern Pipe Line Company, United's pipeline supplier for this district. The net effect of these changes will decrease United's annualized revenues by approximately \$33,300. The impact on a typical residential space heating customer using 30 Ccfs of natural gas in the month of September will be a decrease of \$0.34, or 1.6%.

The Staff of the Commission (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, 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 September 1, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on July 29, 1997, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for its natural gas for its Palmyra District, is approved on an interim basis, subject to refund, to become effective on September 1, 1997. The tariff sheet approved is:

P.S.C. MO. No. 3

30th Revised SHEET No. 48.1 Cancelling 29th Revised SHEET No. 48.1

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

BY THE COMMISSION



Cecil I. Wright
Executive Secretary

(S E A L)

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