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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 24th
day of February, 1998.

In the matter of United Cities Gas Company's)
tariff revisions designed to be reviewed in) Case No. GR-98-274
its 1997-1998 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 January 28, 1998 carrying an effective date of March 1, 1998. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Palmyra District due to a decrease in the spot market gas cost. The effect of this change will decrease United's annualized revenues by approximately \$66,100. The impact on a typical residential space heating customer using 159 Ccf of natural gas in the month of March will be a decrease of \$3.56, or 4.1%.

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 March 1, 1998. Staff recommended that the tariff sheet submitted in this filing be approved, interim subject to refund, pending a final Commission decision in Case Nos. GR-96-197, GR-97-259 and GR-98-274.

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, March 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on January 28, 1998, by United Cities Gas Company of Brentwood, 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, 1998, interim subject to refund. The tariff sheet approved is:

P.S.C. MO. No. 3

35th Revised Sheet No. 48.1 Cancelling 34th Revised Sheet No. 48.1

2. That this order shall become effective on March 1, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
and Drainer, CC., concur.

Derque, Regulatory Law Judge

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION