

7500

At a session of the Public Service Commission held at its office in Jefferson City on the 25th day of November, 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 October 31, 1997, carrying an effective date of December 1, 1997. The tariff sheet was filed to reflect changes in Palmyra District's Purchased Gas Adjustment (PGA) factors as a result of an increase in the spot market gas cost. The effect of this change will increase United's annualized revenues by approximately \$251,000. The impact on a typical residential space heating customer using 179 Ccfs of natural gas in the month of December will be an increase of \$15.23, or 17.7%.

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 December 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 finds that the proposed tariff sheet should be approved to become effective on and after the requested effective date of December 1, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

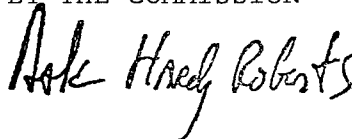
1. That the tariff sheet submitted on October 31, 1997, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for its natural gas for its Palmyra District, is approved on an interim basis, subject to refund, to become effective on December 1, 1997. The tariff sheet approved is:

P.S.C. MO. No. 3

32nd Revised SHEET No. 48.1 Cancelling 31st Revised SHEET No. 48.1

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

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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