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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 23rd day of December, 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 Company.)		

ORDER APPROVING INTERIM NEELYVILLE DISTRICT RATES

United Cities Gas Company (United) of Brentwood, Tennessee, submitted a tariff sheet to the Commission on December 1, 1997 carrying an effective date of January 1, 1998. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Neelyville District due to an increase in the spot market gas cost. The tariff sheet also reflected the Company's recalculation of the Actual Cost Adjustment (ACA) factor for the 1996-1997 period and the elimination of a Refund factor. The effect of these changes will increase United's annualized revenues by approximately \$20,200. 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 \$8.34, or 4.5%.

The Missouri Public Service Commission Staff (Staff) recommended the tariff sheet submitted in this filing be approved, interim subject to refund, pending a final Commission decision in Case Nos. GR-96-197 and GR-97-259. Also, Staff requested permission for the Commission's Procurement Analysis Department to submit its results and recommendations regarding the data contained in this filing on or before October 1, 1998.

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 and request, the Commission finds that the proposed tariff sheet should be allowed to become effective on and after the requested effective date, January 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on December 1, 1997, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for its natural gas for its Neelyville District, be, and it is, hereby approved to become effective on and after January 1, 1998, interim subject to refund.

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- 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, 1998.
 - 3. That this order shall become effective on January 1, 1998.

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