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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 15th day of February, 1995.

In the matter of United Cities Gas Company's)
tariff revisions designed to be reviewed in)
its 1994-1995 Actual Cost Adjustment for the) Case No. GR-95-197
Missouri service area of the Company.)

ORDER APPROVING INTERIM PALMYRA DISTRICT RATES EFFECTIVE MARCH 1, 1995

On January 27, 1995, United Cities Gas Company (United) of Brentwood, Tennessee, filed with this Commission for approval, a tariff sheet which reflects a net decrease in the Purchased Gas Adjustment (PGA) factors for its Palmyra District resulting from changes in the spot market cost of gas. Additionally, the Avoided Commodity Cost for Transportation Customers will decrease.

On February 1, 1994, Missouri Gas Energy purchased all of the Western Resources, Inc. (Western) Missouri service territory except the Palmyra area. The Palmyra area was subsequently sold to United on March 1, 1994. Case No. GR-94-101 was established to track Western's 1993-1994 ACA activity. Case No. GR-94-227 was established to track United's 1993-1994 ACA activity for the Palmyra area occurring between February 1 and June 30, 1994. The Palmyra service area's 1993-1994 ACA activity occurring between July 1, 1993, and January 31, 1994, will be tracked in Western's Case No. GR-94-101, and will be combined with the activity in Case No. GR-94-227 for the purposes of the 1993-1994 Palmyra ACA audit. Case No. GR-95-197, under which this Palmyra District change was filed, was established to track the 1994-1995 ACA activity for the Palmyra area. Final Commission decisions in ACA Case Nos. GR-92-80, GR-93-140 and GR-94-227 for the 1991-1992, 1992-1993 and 1993-1994 ACA periods, respectively, are still pending.

The Missouri Public Service Commission Staff (Staff) has recommended that the filing be approved interim subject to refund, pending final Commission decisions in ACA Case Nos. GR-92-80, GR-93-140 and GR-94-227.

After reviewing Staff's recommendation, the Commission is of the opinion that the proposed tariff sheet should be allowed to go into effect on and after the requested effective date of March 1, 1995, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the following tariff sheet submitted January 27, 1995, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting a decrease in its PGA factors and a decrease in the Avoided Commodity Cost for Transportation Customers factors, for its Palmyra District, be and it is, hereby authorized to become effective on and after March 1, 1995, interim subject to refund.

P.S.C. MO. No. 3
9th Revised SHEET No. 48.1 Cancelling 8th Revised SHEET No. 48.1

2. That this order shall become effective on March 1, 1995.

BY THE COMMISSION

David L. Rauch

Executive Secretary

(SEAL)

Mueller, Chm., McClure, and Crumpton, CC., Concur.

Perkins, and Kincheloe, CC., Absent.