

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 31st
day of January, 1990.

In the matter of United Cities Gas Company of Brentwood,)
Tennessee, for authority to file a tariff reflecting a)
change in rates in the Hannibal-Canton District, to be) Case No. GR-90-39
reviewed in the Company's 1989-1990 ACA filing pursuant)
to Company's PGA Clause on file with the Commission.)

In the matter of United Cities Gas Company of Brentwood,)
Tennessee, for authority to file a tariff reflecting a)
change in rates for gas service to its Missouri customers in) Case No. GR-89-263
the former Great River Gas Company service area as provided)
for in the Purchased Gas Adjustment (PGA) Clause on file for)
the Company.)

In the matter of Great River Gas Company of Keokuk, Iowa,)
for authority to file tariffs reflecting the current BTU)
factor and an interim change in rates for gas to its) Case No. GR-89-18
Missouri customers as provided for in the Purchased Gas)
Adjustment (PGA) Clause on file for the Company.)

ORDER APPROVING HANNIBAL-CANTON DISTRICT PGA EFFECTIVE FEBRUARY 1, 1990

On June 20, 1988, Great River Gas Company of Keokuk, Iowa, submitted to this Commission for approval, two tariff sheets. One tariff sheet reflects a decrease in rates to its Missouri natural gas customers as the result of a recalculated 1987-1988 Actual Cost Adjustment (ACA) factor. Case No. GR-89-18 addressed this filing.

On June 20, 1989, United Cities Gas Company (United) of Brentwood, Tennessee, submitted to this Commission for approval a tariff reflecting a net increase in rates to its Missouri natural gas customers in its Hannibal-Canton service area (formerly Great River Gas Company). The increase was the net result of a wholesale gas cost increase and the calculation of the 1988-1989 Actual Cost Adjustment (ACA) factor. Case No. GR-89-263 addressed this filing.

The Commission issued Orders in Case Nos. GR-89-18 and GR-89-263 approving the tariffs on an interim basis. Subsequent tariffs filed reflecting the 1987-1988 and/or 1988-1989 ACA factors were also approved on an interim basis by subsequent orders.

On August 18, 1989, United submitted to this Commission for approval, a tariff reflecting a FERC authorized change in the cost of gas purchased from its supplier in the Hannibal-Canton District, Panhandle Eastern Pipe Line Company (PEPL). By the Commission's order of August 30, 1989, Case No. GR-90-39 was established to track the August 18, 1989, filing and all subsequent filings that will be reviewed in United's 1989-90 ACA filing for the Hannibal-Canton District.

On January 19, 1990, United submitted to this Commission for approval, a tariff once again reflecting a FERC authorized change in the cost of gas purchased from its supplier in the Hannibal-Canton District, (PEPL). The filing also included a revision to the originally filed 1988-1989 ACA rate. The net effect of the changes will be an increase in annualized revenues of approximately \$569,000. The Regular PGA factor will increase by \$0.0228 per therm to \$(0.0904) per therm.

It is the Staff of the Missouri Public Service Commission's (Staff) opinion that the proposed February 1, 1990, filing resolves the issues at question in Cases GR-89-18 and GR-89-263 and is in compliance with the Company's current PGA Clause. Staff therefore recommends that the tariff be approved.

Based on Staff's recommendation and for good cause shown pursuant to Section 393.140(11) RSMo 1986, the Commission is of the opinion that the tariff should be allowed to go into effect on and after the requested effective date, February 1, 1990.

Staff also recommends that the tariffs containing the 1987-1988 ACA factor and the tariffs containing the 1988-1989 ACA factors which were approved on an interim basis, no longer be interim. Staff further recommends that Case Nos. GR89-18 and GR-89-263 be closed as unnecessary.

The Commission has reviewed this matter and, based upon Staff's recommendation, the Commission has determined that the tariffs containing Company's 1987-1988 and 1988-1989 ACA factors should no longer be interim and Case Nos. GR-89-18 and GR-89-263 should be closed.

It is, therefore,

ORDERED: 1. That the following tariff sheet submitted by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting an increase in wholesale gas costs and a revision to the ACA factor in the Hannibal-Canton District be, and it is, hereby authorized to become effective on and after the requested effective date, February 1, 1990.

P.S.C. Mo. No. 2

7th Revised Sheet No. 12.5 cancelling 6th Revised Sheet No. 12.5

ORDERED: 2. That the tariffs reflecting United Cities Gas Company's 1987-1988 and 1988-1989 Actual Cost Adjustment factors are declared hereby to be no longer interim.

ORDERED: 3. That Case No. GR-89-18 is hereby closed.

ORDERED: 4. That Case No. GR-89-263 is hereby closed.

ORDERED: 5. That this Order shall become effective on the date hereof as to Ordered Section 1. and shall become effective on the 14th day of February, 1990, as to Ordered Section 2., 3. and 4.

(S E A L)

Steinmeier, Chm., Mueller,
Rauch and Letsch, CC., Concur.
McClure, C., Absent.

BY THE COMMISSION



Daniel J. Redel
Acting Secretary