STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 25th day of February, 1999.

In the matter of United Cities Gas Company's)

Tariff revisions designed to be reviewed in)

its 1998-1999 Actual Cost Adjustment for the)

Missouri service area of the Company.

ORDER APPROVING INTERIM NEELYVILLE DISTRICT RATES

United Cities Gas Company (United) of Franklin, Tennessee, submitted a tariff sheet to the Commission on January 26, 1999 carrying an effective date of March 1, 1999. On January 29, 1999, United filed a substitute tariff sheet to correct a typographical error. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Neelyville District as a result of a decrease in the spot market cost of gas. The effect of this change will decrease United's annualized revenues by approximately \$18,500. 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 \$6.01, or 6.4%.

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, 1999. Staff recommended that the tariff sheet submitted in this filing be approved, interim subject to refund, pending final Commission decisions in Case Nos. GR-98-274 and GR-99-280.

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 as substituted should be allowed to become effective on and after the requested effective date, March 1, 1999, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on January 26, 1999, as substituted on January 29, 1999 by United Cities Gas Company of Franklin, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Neelyville District, be, and it is, hereby approved to become effective on and after March 1, 1999, interim subject to refund. The tariff sheet approved is:

P.S.C. MO. No. 3
77th Revised Sheet No. 48 Cancelling 76th Revised Sheet No. 48

2. That this order shall become effective on March 1, 1999.

BY THE COMMISSION

Dale Hardy Roberts

Hole Hard Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

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

MECEIVET

FEB 2 6 1999

COMMISSION COUNSEL PUBLIC SERVICE COMMISSION