STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 18th day of March, 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 February 25, 1999 carrying an effective date of April 1, 1999. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Neelyville District as a result of a revised Refund Adjustment Factor. The effect of this change will decrease United's annualized revenues by approximately \$1,000. The impact on a typical residential space-heating customer using 96 Ccf of natural gas in the month of April will be a decrease of \$0.02, or less than one percent.

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 April 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 be allowed to become effective on and after the requested effective date, April 1, 1999, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on February 25, 1999, by United Cities Gas Company of Franklin, Tennessee, for the purpose of reflecting changes in its rates for natural gas in its Neelyville District, is approved on an interim basis, subject to refund, to become effective on April 1, 1999. The tariff sheet approved is:

P.S.C. MO. No. 3

78th Revised Sheet No. 47 Cancelling 77th Revised Sheet No. 47

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

BY THE COMMISSION

Dale Hardy Roberts

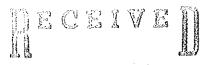
HAR HARD Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

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

Mills, Regulatory Law Judge



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COMMISSION COUNSEL PUBLIC SERVICE COMMISSION