STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 28th day of January, 1998.

In the matter of United Cities Gas Company's)
tariff revisions designed to be reviewed in) Case No. GR-98-274
its 1997-1998 actual cost adjustment for the)
Missouri service area of the company.)

ORDER APPROVING INTERIM BOWLING GREEN DISTRICT RATES

United Cities Gas Company (United) of Brentwood, Tennessee, submitted a tariff sheet to the Commission on December 30, 1997, carrying an effective date of February 1, 1998. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Bowling Green District as a result of a decrease in the spot market gas cost. The effect of this change will decrease United's annualized revenues by approximately \$143,800. The impact on a typical residential space heating customer using 217 Ccf of natural gas in the month of February will be a decrease of \$18.80, or 12.6%.

The Staff of the Commission (Staff) filed a memorandum stating that the changes 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 February 1, 1998. Staff recommended that the tariff sheet be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-96-197, GR-97-259, and GR-98-274.

The Commission has reviewed the tariff sheet and Staff's recommendation, and finds that the proposed tariff conforms to United's Commission-approved PGA Clause and is therefore reasonable. After

considering Staff's recommendation, the Commission finds that the proposed tariff sheet should be approved to become effective on and after the requested effective date of February 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted December 30, 1997, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Bowling Green District, is approved on an interim basis, subject to refund, to become effective on February 1, 1998. The tariff sheet approved is:

P.S.C. MO. No. 3

64th Revised SHEET No. 47, Cancelling 63rd Revised SHEET No. 47

2. That this order shall become effective on February 1, 1998.

BY THE COMMISSION

Dale Hardy Roberts

Hoke Horey Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

Lumpe, Chm., Crumpton, Murray and

Drainer, CC., Concur.

ALJ: Derque



JAN 29 1998