STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 30th day of July, 1998.

In the matter of United Cities Gas Company's)
Tariff revisions designed to be reviewed in)
its 1997-1998 Actual Cost Adjustment for the)
Missouri service area of the Company.

Case No. GR-98-274

ORDER APPROVING INTERIM BOWLING GREEN DISTRICT RATES

United Cities Gas Company (United) of Brentwood, Tennessee, submitted a tariff sheet to the Commission on June 29, 1998, carrying an effective date of August 1, 1998. The tariff sheet was filed to reflect a change in Bowling Green District's Purchased Gas Adjustment (PGA) factor as a result of a decrease in the spot market cost of gas. This change will decrease United's annualized revenues by approximately \$58,800. The impact on a typical residential space heating customer using 27 Ccf of natural gas in the month of August will be a decrease of \$.96 or 4.8%.

The Staff of the Commission (Staff) filed a memorandum stating that the change in United's PGA was calculated in conformance with United's approved PGA Clause and recommends that the Commission approve the tariff sheet to become effective on August 1, 1998. Staff recommends that the tariff sheet be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-97-259 and GR-98-274.

The Commission has reviewed the tariff sheet and Staff's recommendation, and finds that the tariff sheet conforms to its 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 August 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on June 29, 1998, 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 August 1, 1998. The tariff sheet approved is:

P.S.C. MO. No. 3

70th Revised SHEET No. 47 Cancelling 69th Revised SHEET No. 47

2. That this order shall become effective August 1, 1998.

BY THE COMMISSION

Dale Hardy Roberts

Hole Hold Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

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

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COMMISSION COUNSEL

PUBLIC SERVICE COMMISSION