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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 16th
day of September, 1998.

In the matter of United Cities Gas Company's)
Tariff revision 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 HANNIBAL-CANTON DISTRICT RATES

United Cities Gas Company (United) of Brentwood, Tennessee, submitted a tariff sheet to the Commission on August 26, 1998, carrying an effective date of October 1, 1998. The tariff sheet is designed to change the Purchased Gas Adjustment (PGA) factor for its Hannibal-Canton District as a result of a decrease in the spot market cost of gas. This change will decrease United's annualized revenues by approximately \$821,600. The impact on a typical residential space heating customer using 42 Ccf of natural gas in the month of October will be an decrease of \$1.78, or 6.0%.

The Staff of the Commission (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 October 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 proposed tariff sheet 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 October 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on August 26, 1998, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Hannibal-Canton District, is approved on an interim basis, subject to refund, to become effective on October 1, 1998. The tariff sheet approved is:

P.S.C. MO. No. 3

71st Revised SHEET No. 46, Cancelling 70th Revised SHEET No. 46

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

BY THE COMMISSION

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Crumpton, Murray, Schemenauer,
and Drainer, CC., concur.

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION