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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 30th
day of June, 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 May 28, 1998, carrying an effective date of July 1, 1998. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Hannibal-Canton District as a result of a decrease in the spot market cost of gas and the implementation of Kansas Ad Valorem Tax refunds received from one of its suppliers. These changes will decrease United's annualized revenues by approximately \$291,700. The impact on a typical residential space heating customer using 28 Ccf of natural gas in the month of July will be a decrease of \$0.41, or 1.8%.

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 July 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 July 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

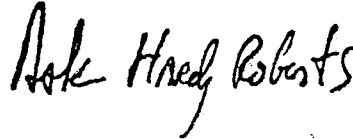
1. That the tariff sheet submitted on May 28, 1998, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Hannibal-Canton District, is approved on an interim basis, subject to refund, to become effective on July 1, 1998. The tariff sheet approved is:

P.S.C. MO. No. 3

68th Revised SHEET No. 46, Cancelling 67th Revised SHEET No. 46

3. That this order shall become effective July 1, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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