BY TS RO WF

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 29th day of April, 1998.

In the matter of United Cities Gas Company's)		
Tariff revisions designed to be reviewed in)	Case No. GR-98-2	74
its 1997-1998 Actual Cost Adjustment for the)		
Missouri service area of the Company.)		

ORDER APPROVING INTERIM NEELYVILLE DISTRICT RATES

United Cities Gas Company (United) of Brentwood, Tennessee, submitted a tariff sheet to the Commission on March 30, 1998 carrying an effective date of May 1, 1998. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Neelyville District due to an increase in the spot market gas cost. The effect of this change will increase United's annualized revenues by approximately \$12,200. The impact on a typical residential space heating customer using 53 Ccf of natural gas in the month of May will be an increase of \$1.13, or 2.8%.

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 May 1, 1998. Staff recommended that the tariff sheet submitted in this filing be approved, interim subject to refund, pending final Commission decisions 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 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 sheet should be allowed to become effective on and after the requested effective date, May 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on March 30, 1998, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Neelyville District, be, and it is, hereby approved to become effective on and after May 1, 1998, interim subject to refund. The tariff sheet approved is:

P.S.C. MO. No. 3

70th Revised Sheet No. 48 Cancelling 69th Revised Sheet No. 48

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

BY THE COMMISSION

Dale Hardy Roberts

Hoke HARD Roberts

Secretary/Chief Regulatory Law

Judge

(S E A L)

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



APR 29 1998

COMPRISSION COUNSEL!