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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 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 May 28, 1998, carrying an effective date of July 1, 1998. The tariff sheet was filed to reflect changes in Bowling Green District's Purchased Gas Adjustment (PGA) factors as a result of an decrease in the spot market cost of gas and the implementation of a refund received from one of its pipeline suppliers, which includes a Kansas Ad Valorem Tax Refund amount. These changes will decrease United's annualized revenues by approximately \$82,800. 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 \$1.40 or 6.4%.

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 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 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 July 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

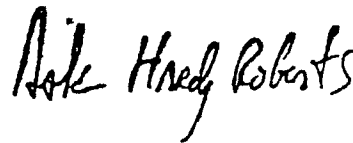
1. That the tariff sheet submitted on May 28, 1998, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for natural gas in its Bowling Green District, is approved on an interim basis, subject to refund, to become effective on July 1, 1998. The tariff sheet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

P.S.C. MO. No. 3

69th Revised SHEET No. 47 Cancelling 68th Revised SHEET No. 47

2. 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.