

At a session of the Public Service Commission held at its office in Jefferson City on the 24th day of September, 1997.

In the matter of United Cities Gas Company's )  
tariff revisions designed to be reviewed in ) Case No. GR-97-259  
its 1996-1997 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 August 29, 1997, carrying an effective date of October 1, 1997. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Neelyville District as a result the initiation of a new Refund factor. The effect of this change will increase United's annualized revenues by approximately \$1,500. The impact on a typical residential space heating customer using 42 Ccf of natural gas in the month of October will be an increase of \$0.11, or 0.3%.

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, 1997. Staff recommended that the tariff sheet be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-96-197 and GR-97-259.

The Commission has reviewed the tariff sheet and Staff's recommendation, and finds that the proposed tariff conforms to United's Commission-approved PGA Clause and is therefore reasonable. After considering Staff's recommendation, the Commission is of the opinion that

the proposed tariff sheet should be approved to become effective on and after the requested effective date of October 1, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

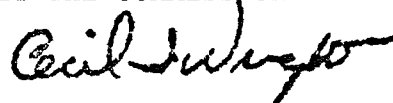
1. That the tariff sheet submitted on August 29, 1997, by United Cities Gas Company of Brentwood, Tennessee, for the purpose of reflecting changes in rates for its natural gas for its Neelyville District, is approved on an interim basis, subject to refund, to become effective on October 1, 1997. The tariff sheet approved is:

P.S.C. MO. No. 3

64th Revised SHEET No. 48 Cancelling 63rd Revised SHEET No. 48

2. That this order shall become effective on October 1, 1997.

BY THE COMMISSION



Cecil I. Wright  
Executive Secretary

(S E A L)

Lumpe, Chm., Drainer, and Murray, CC., Concur.  
ALJ: Luckenbill

FORM NO. 13 P.S.C.MO. No. 3 64th ~~Original~~ SHEET No. 48  
 Cancelling P.S.C.MO.No. 3 63rd. ~~Revised~~ SHEET No. 48  
~~Original~~  
~~Revised~~

United Cities Gas Company For Neelyville District  
 Name of Issuing Corporation Community, Town or City

PURCHASED GAS ADJUSTMENT FOR THE NEELYVILLE DISTRICT		
SALES SERVICE PGA FACTORS:		
	FIRM -----	NON-FIRM -----
Gas Charge Adjustment	\$0.2917 /Ccf	\$0.2411 /Ccf
Refund Adjustment in Effect for a 12 Month Period Commencing on Effective Date Shown Below:		
January 1, 1997	(\$0.0003)/Ccf	(\$0.0003)/Ccf
October 1, 1997	\$0.0027 /Ccf	\$0.0027 /Ccf
Take-Or-Pay Adjustment	\$0.0000 /Ccf	\$0.0000 /Ccf
Transition Cost Adjustment	\$0.0000 /Ccf	\$0.0000 /Ccf
Actual Cost Adjustment	\$0.0691 /Ccf	\$0.1073 /Ccf
Total PGA	\$0.3632 /Ccf	\$0.3508 /Ccf
TRANSPORTATION SERVICE PGA FACTORS:		
Transportation Charges		
Take-Or-Pay Factor	(\$0.0034)/Ccf	
Transition Cost Factor	\$0.0000 /Ccf	
*Indicates new rate or text +Indicates change		

DATE OF ISSUE August 28, 1997 DATE EFFECTIVE October 1, 1997  
 month day year month day year

ISSUED BY Thomas R. Blose, Jr., President Brentwood, TN  
 name of officer title address