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At a session of the Public Service
Commission held at its office
in Jefferson City on the 25th
day of November, 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 HANNIBAL-CANTON DISTRICT RATES

United Cities Gas Company (United) of Brentwood, Tennessee, submitted a tariff sheet to the Commission on October 31, 1997, carrying an effective date of December 1, 1997. The tariff sheet is designed to change Purchased Gas Adjustment (PGA) factors for its Hannibal-Canton District as a result of an increase in the spot market gas cost. The effect of this change will increase United's annualized revenues by approximately \$1,705,000. The impact on a typical residential space heating customer using 179 Ccfs of natural gas in the month of December will be an increase of \$15.23, or 13.0%.

The Staff of the Commission (Staff) filed a memorandum stating that this 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 December 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 finds that the proposed tariff sheet should be approved to become effective on and after the requested effective date of December 1, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted October 31, 1997, 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 December 1, 1997. The tariff sheet approved is:

P.S.C. MO. No. 3

62nd Revised SHEET No. 46, Cancelling 61st Revised SHEET No. 46

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

BY THE COMMISSION



Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(S E A L)

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