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At a Session of the Public Service
Commission held at its office
in Jefferson City on the 23rd
day of December, 1997.

In the matter of United Cities Gas Company's)
tariff revision designed to be reviewed in)
its 1996-1997 actual cost adjustment for the) Case No. GR-97-259
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 December 1, 1997, carrying an effective date of January 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 increase in the spot market cost of gas. The tariff sheet also reflects the Company's recalculation of the Actual Cost Adjustment (ACA) factor for the 1996-1997 period and the elimination of a refund factor. These changes will increase United's annualized revenues by approximately \$23,900. The impact on a typical residential space heating customer using 236 Ccf of natural gas in the month of January will be an increase of \$2.93 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 United's approved PGA Clause and recommends that the Commission approve the tariff sheet to become effective on January 1, 1998. 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. Also, Staff requested permission for the Commission's Procurement

Analysis Department to submit its results and recommendations regarding the data contained in this filing on or before October 1, 1998.

The Commission has reviewed the tariff sheet, Staff's recommendation and request, 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 January 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on December 1, 1997, 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 January 1, 1998. The tariff sheet approved is :

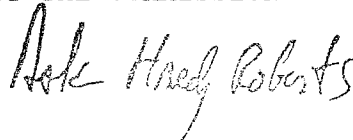
P.S.C. MO. No. 3

63rd Revised SHEET No. 47 Cancelling 62nd Revised SHEET No. 47

2. That the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of this ACA period and submit its results and recommendations regarding this ACA filing on or before October 1, 1998.

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

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)