

**BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
NASHVILLE, TENNESSEE**

April 19 1996

**IN RE: THE APPLICATION OF UNITED CITIES GAS COMPANY FOR AN
ORDER APPROVING THE IMPLEMENTATION OF A UNIVERSAL
SHELF REGISTRATION FOR DEBT AND EQUITY FINANCING.**

DOCKET NO: 95-01312

AMENDED ORDER

This matter is before the Commission upon the Petition of United Cities Gas Company (United Cities, Company, or Petitioner) filed on March 14, 1996, for an interpretation of this Commission's prior Order of March 21, 1995, in the above captioned docket.

United Cities seeks an Order from this Commission amending the Commission's prior Order of March 21, 1995, in this docket to allow United Cities, in addition to the purposes set forth in the original application, to issue stock under its universal shelf registration directly to a seller to finance the acquisition of additional properties and facilities. The Company has a proposal by which it will acquire, through the issuance and exchange of stock, a new natural gas distribution company, Monarch Gas Company, an Illinois corporation. The Company wishes to issue up to 210,000 shares of common stock in this acquisition pursuant to the universal shelf registration.

On March 8, 1996, the Commission issued an Order in this docket clarifying that the Company could use its universal shelf registration for general corporate purposes. By this Petition, the Company seeks specific approval to use the registration for acquisitions.

After consideration of the entire record in this matter, including the Petition for Amendment of Prior Order, the Exhibits thereto and the investigation conducted by the Commission Staff, the Commission finds and concludes as follows:

1. The Petitioner is engaged in the public utility business of furnishing natural gas to customers in numerous counties in Tennessee.
2. The Petitioner is subject to the regulation and supervision of the Tennessee Public Service Commission pursuant to Chapter 4, Title 65 of Tennessee Code Annotated.
3. United Cities' Petition for Amendment of Prior Order is in the public interest, and should be approved.

IT IS, THEREFORE, ORDERED:

1. That United Cities' request to issue stock pursuant to its universal shelf registration for the purpose of financing acquisitions of additional properties as set out in its Petition and hereinabove, is hereby approved.
2. That United Cities shall continue to file reports with this Commission on the details of any financing instruments issued under the universal shelf registration, for financing acquisitions or other transactions, as they occur.

3. That any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within ten (10) days from and after the date of this Order.


4. That any party aggrieved with the Commission's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


CHAIRMAN


COMMISSIONER


COMMISSIONER

ATTEST:


EXECUTIVE DIRECTOR