

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION  
May 3, 1996 NASHVILLE, TENNESSEE

IN RE: THE APPLICATION OF UNITED CITIES GAS COMPANY FOR  
AN ORDER AUTHORIZING THE ISSUANCE AND SALE OF  
100,000 SHARES OF COMMON STOCK, NO PAR VALUE,  
PURSUANT TO THE TERMS AND PROVISIONS OF ITS  
NON-EMPLOYEE DIRECTOR STOCK PLAN.

DOCKET NO. 96-00244

ORDER

This matter is before the Commission upon the application of United Cities Gas Company for authorization to issue and sell an additional 100,000 shares of common stock, no par value, pursuant to the terms and provisions of its Non-Employee Director Stock Plan.

The Commission considered this matter at its Conference on March 5, 1996. After consideration of the entire record in this matter, including the application, the exhibits thereto and the recommendations of 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. That Petitioner's proposed issuance and sale of common stock is in the public interest.

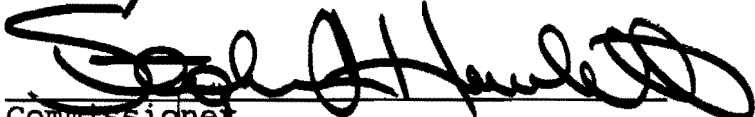
IT IS, THEREFORE, ORDERED:

1. That Petitioner is authorized to issue and sell up to 100,000 shares of common stock, no par value, pursuant to the terms and provisions of its Non-Employee Director Stock Plan.

2. 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.


3. 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