

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF PUBLIC) CASE NO. 8186-E
GAS COMPANY)

INTERIM ORDER

On November 13, 1981, the Commission issued its Order in Case No. 8186 approving certain rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased.

On November 9, 1978, the Natural Gas Policy Act of 1978 was signed into law which established significantly higher rates for producers of certain categories of natural gas. This federal legislation allows producers, after proper application, to classify certain gas wells as "stripper" wells and increase the cost of gas produced. Once the Federal Energy Regulatory Commission ("FERC") classifies the producer's well as a stripper well and the producer increases the cost of gas to the distribution company, state commissions must, in turn, allow the distributors to pass their increased costs on to their customers by adjusting the base rates.

On January 26, 1983, Public Gas Company ("Public") filed its notice wherein it requested to increase its rates in accordance with natural gas ceiling prices for stripper gas effective February 1983.

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

(1) Public's notice of January 26, 1983, set out certain adjustments in retail rates which Public proposed to place into effect on and after February 20, 1983. The adjustments are designed to charge the stripper well price effective February 1, 1983, which results in an increase in the amount of \$2,855 or \$0.0276 per Mcf.

(2) On February 11, 1983, the Commission issued an Interim Order in Case No. 8186-D. Therefore, the rates in this case are approved on an interim basis and are subject to refund.

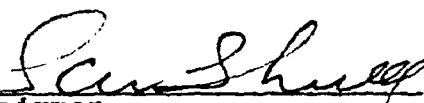
(3) Public's adjustment in rates under the purchased gas adjustment clause approved by the Commission in its Order in Case No. 8186 dated November 13, 1981, is fair, just and reasonable, and should be approved, on an interim basis, effective with gas supplied on and after February 20, 1983, subject to refund.

IT IS THEREFORE ORDERED that the rates in Appendix A be and they hereby are approved, on an interim basis, effective for gas supplied on and after February 20, 1983, subject to refund.

IT IS FURTHER ORDERED that within 30 days after the date of this Order, Public shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 24th day of February, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8186-E DATED FEBRUARY
24, 1983

The following rates are prescribed for the customers in the area served by Public Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

RATES: Monthly

First	1 Mcf	\$6.8268 Minimum Bill
Over	1 Mcf	5.7068 per Mcf