

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED)
GAS ADJUSTMENT FILING OF) CASE NO. 8735-A
B & H GAS COMPANY)

O R D E R

On May 31, 1983, the Commission issued its Order in Case No. 8735 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On December 28, 1983, B & H Gas Company ("B & H") notified the Commission that its wholesale cost of gas would be increased by its supplier, Bradley and Son Oil and Gas ("Bradley"), effective January 1, 1984, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission. B & H also requested approval for a revised PGA clause.

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

(1) By Order issued June 17, 1981, in Case No. 8135, B & H was granted authority to implement a PGA clause and directed to file the same with this Commission. In its

notice filed December 28, 1983, B & H failed to provide conclusive evidence as to why it should be allowed to revise its PGA clause; therefore, B & H should continue with its PGA clause currently in effect.

(2) B & H's notice of December 28, 1983, set out certain revisions in rates which B & H proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$5,777 or 20 cents per Mcf.

(3) B & H's wholesale cost of gas was increased by Bradley effective January 1, 1984.

(4) B & H's notice of December 28, 1983, requested an effective date of January 1, 1984. B & H's notice does not provide the 20-day notice as required by statute; therefore, the proposed rates should be effective on and after January 17, 1984.

(5) B & H's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8735 dated May 31, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after January 17, 1984.

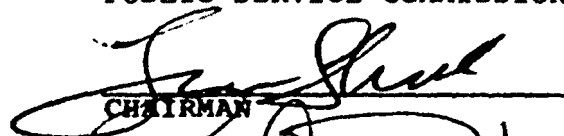
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after January 17, 1984.

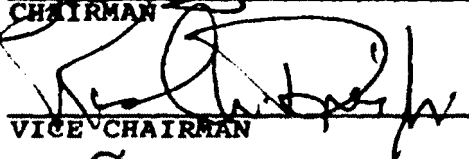
IT IS FURTHER ORDERED that within 30 days of the date of this Order B & H shall file with this Commission its revised tariffs setting out the rates authorized herein.


IT IS FURTHER ORDERED that within 30 days of the date of this Order B & H shall file with this Commission its PGA clause as originally approved by Order issued June 17, 1981, in Case No. 8135.

Done at Frankfort, Kentucky, this 26th day of January, 1984.

PUBLIC SERVICE COMMISSION


CHAIRMAN


VICE CHAIRMAN


COMMISSIONER

ATTEST:

Secretary

APPENDIX

Appendix to an Order of the Public Service
Commission in Case No. 8735-A Dated
January 26, 1984

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

RATES:

First 2 Mcf	\$5.4807 (Minimum Bill)
Next 8 Mcf	2.5183 per Mcf
Next 20 Mcf	2.1965 per Mcf
Over 30 Mcf	2.0033 per Mcf

The base rates for the future application of the purchased gas adjustment clause of B & H Gas Company shall be:

	<u>Per Mcf</u>
Bradley and Son Oil and Gas	\$1.00
Gypsy Hughes	1.00
Kentucky-West Virginia Gas Co.	4.07