COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED) GAS ADJUSTMENT FILING OF) CASE NO. 9318-D AUXIER ROAD GAS COMPANY, INC.)

ORDER

On June 7, 1988, Auxier Road Gas Company, Inc. ("Auxier Road"), petitioned the Commission to delay the implementation of the Order of April 7, 1988 directing Auxier Road to adhere to the terms of its Purchased Gas Adjustment Clause ("PGA") and refund the savings from the purchase of locally produced gas. Auxier Road's reason for its request was that it is without sufficient income to pay a refund at this time without jeopardizing its financial integrity.

It is the Commission's opinion that implementation of the refund plan should not be delayed. The apparent bad financial condition of Auxier Road is a matter for the rate case and should not have a bearing on the requirements of its PGA.

IT IS THEREFORE ORDERED that Auxier Road's petition for delay of the implementation of the refund be and hereby is denied.

Done at Frankfort, Kentucky, this 24th day of June, 1988.

PUBLIC SERVICE COMMISSION

Chairman

Kabert M. Hans

Vice Chairman

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ATTEST:

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Executive Director