

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)
GAS ADJUSTMENT FILING OF) CASE NO. 9911-C
PHELPS GAS COMPANY, INC.)

INTERIM ORDER

On October 9, 1987, the Commission issued its Order in Case No. 9911 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 August 10, 1988, Phelps Gas Company, Inc. ("Phelps"), notified the Commission that its wholesale cost of gas was decreased by its supplier, Columbia Gas of Kentucky, Inc. ("Columbia"), effective September 1, 1988, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) Phelps' notice of August 10, 1988 set out certain revisions in rates which Phelps proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier. The decrease in price from Columbia

included an adjustment for a fixed charge recovery for contract reformation and take-or-pay costs from Columbia's suppliers which have not been approved by the Commission. This adjustment understated the overall decrease in rates by 7.92 cents per Mcf. Therefore, the wholesale decrease in price from Columbia to Phelps is \$1,888 or 10.34 cents per Mcf.

(2) At such time when Columbia's fixed charge recovery for contract reformation and take-or-pay costs is approved, the Commission will issue an Order reflecting the revised rates.

(3) Phelps' wholesale cost of gas was decreased by Columbia effective September 1, 1988.

(4) Phelps' corrected adjustment in rates under the purchased gas adjustment provision approved by the Commission in its Order in Case No. 9911 dated October 9, 1987 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after September 1, 1988.

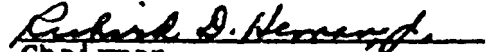
IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1988.

(2) Within 30 days of the date of this Order, Phelps shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of September, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9911-C DATED 9/1/88

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

RATES: Monthly

First 1 Mcf	\$7.6868 Minimum Bill
Over 1 Mcf	6.0204 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Phelps Gas Company, Inc., shall be:

	<u>Commodity</u>
Columbia Gas of Kentucky, Inc.	\$3.4807 per Mcf