

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.)

O R D E R

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 September 1, 1988, the Commission issued an Interim Order in this case authorizing revised rates for Phelps Gas Company, Inc. ("Phelps"), effective September 1, 1988, pursuant to a change in its wholesale cost of gas from its supplier, Columbia Gas of Kentucky, Inc. ("Columbia"). The wholesale change in rates from Columbia effective September 1, 1988 was exclusive of an adjustment for contract reformation and take-or-pay costs which were not yet approved by the Commission. This adjustment, now modified, has been approved and has been incorporated into Columbia's rates. On October 21, 1988, Columbia was granted a rate increase pursuant to Case No. 10201, An Adjustment of Rates of Columbia Gas of Kentucky, Inc., resulting in an increase to Phelps of 2.31 cents per Mcf. The adjustment for Columbia's contract reformation and take-or-pay costs as filed in PGA Case

No. 9554-C, The Notice of Purchased Gas Adjustment Filings of Columbia Gas of Kentucky, Inc., results in a decrease to Phelps of .41 cents per Mcf effective November 14, 1988.

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

(1) Phelps' wholesale cost of gas was increased by Columbia effective October 21, 1988.

(2) Phelps' wholesale cost of gas was decreased by Columbia effective November 14, 1988.

(3) Phelps' rates should be adjusted to reflect the net increase of 1.9 cents per Mcf and should be effective with the date of this Order.

(4) Phelps' adjustment in rates under the purchased gas adjustment provisions 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 the date of this Order.

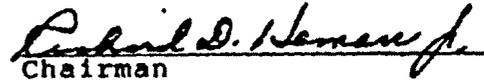
IT IS THEREFORE ORDERED that:

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

(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 14th day of November, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9911-C DATED 11/14/88

The following rates and charges 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 authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First	1,000 Cu.Ft.	\$7.7058
All Over	1,000 Cu.Ft.	6.0394 per 1,000 Cu.Ft.

MINIMUM BILL

\$7.7058

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

Commodity

Columbia Gas of Kentucky, Inc. \$3.4997 per Mcf