

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED )  
GAS ADJUSTMENT FILING OF ) CASE NO. 10288-C  
AUXIER ROAD GAS COMPANY, INC. )

O R D E R

On February 24, 1989, the Commission issued its Order in Case No. 10288 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 March 23, 1989, Auxier Road Gas Company, Inc. ("Auxier Road") notified the Commission that its wholesale cost of gas was decreased by its supplier, Presley Energy ("Presley"), effective March 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. Auxier Road filed its Notice as Case No. 10288-B, Amended. However, since the Notice was made pursuant to a change in the wholesale rate of its supplier, this filing has been assigned Case No. 10288-C.

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

(1) Auxier Road's notice of March 23, 1989 set out certain revisions in rates which Auxier Road proposed to place into effect, said rates being designed to pass on the wholesale

decrease in price from its supplier using an average cost of gas computed from volumes and prices of both its suppliers. In computing the decrease, Auxier Road incorrectly included a portion of its purchases from Presley at Columbia Gas of Kentucky's rate instead of Presley's rate. Based on the information filed by Auxier Road, the revisions in rates are designed to pass on the wholesale decrease in price from its supplier in the amount of \$1,000 or 1.96 cents per Mcf.

(2) Auxier Road's wholesale cost of gas was decreased by Presley effective March 1, 1989.

(3) Auxier Road should report to the Commission the amount of excess revenues collected from March 1, 1989 to the date the proposed rates are implemented, along with a refund plan.

(4) Auxier Road's corrected adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 10288 dated February 24, 1989 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after March 1, 1989.

IT IS THEREFORE ORDERED that:


(1) The rates in the Appendix, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after March 1, 1989.

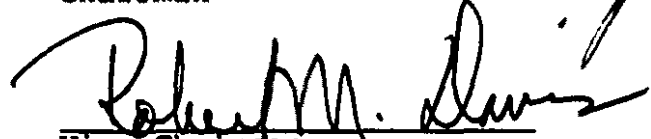
(2) Within 30 days of the date of this Order, Auxier Road shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Within 30 days of the date of this Order, Auxier Road shall report the amount of excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 5th day of April, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 10288-C DATED 4/5/89

The following rates and charges are prescribed for the customers served by Auxier Road 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.	\$8.6081
All Over	1,000 Cu.Ft.	7.7581 per 1,000 Cu.Ft.

MINIMUM BILL \$8.61

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

	<u>Commodity</u>
Columbia Gas of Kentucky, Inc.	\$3.5608 per Mcf
Presley Energy	\$2.684 per Mcf
Average Commodity Cost	\$3.4982 per Mcf