

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DEMA GAS)	CASE NO. 89-100-D
COMPANY, INC.)	

O R D E R

On July 7, 1989, the Commission issued its Order in Case No. 89-100 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 April 1, 1991, Dema Gas Company, Inc. ("Dema") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Brushy Gap Coal and Gas, Inc. ("Brushy Gap"), effective March 6, 1991. Brushy Gap's rate mirrors the rate schedule GSS-1 of Kentucky West Virginia Gas Company as filed with the Federal Energy Regulatory Commission ("FERC"). Dema 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 otherwise sufficiently advised, the Commission finds that:

1. On April 1, 1991, Dema notified the Commission that its wholesale cost of gas would be adjusted in accordance with the Kentucky West Virginia Gas Company, FERC Gas Tariff, First Revised 26th Revised Sheet No. 41, filed to be effective March 6, 1991.

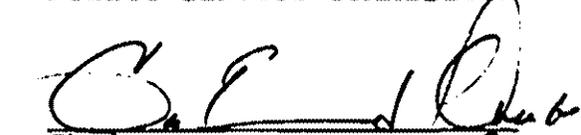
2. On April 1, 1991, in Case No. 89-100-C¹ Dema notified the Commission that its wholesale cost of gas would be adjusted in accordance with the Kentucky West Virginia Gas Company, FERC Gas Tariff, Second Revised 26th Revised Sheet No. 41, which is to be effective March 1, 1991 and supersedes and replaces the First Revised 26th Revised Sheet No. 41.

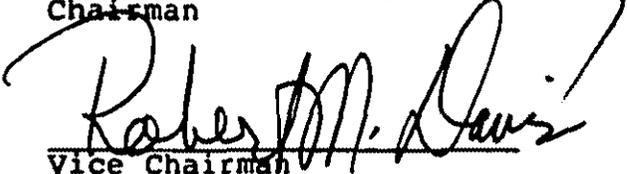
3. Dema's proposed rates have been rendered moot by its filing in Case No. 89-100-C.

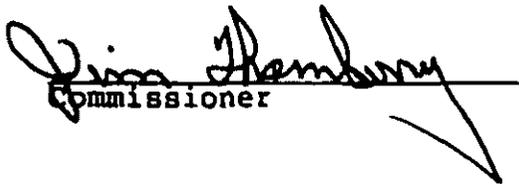
IT IS THEREFORE ORDERED that the rates proposed by Dema are hereby denied.

Done at Frankfort, Kentucky, this 30th day of April, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

¹ Case No. 89-100-C, Notice of Purchased Gas Adjustment Filing of Dema Gas Company, Inc.