

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF AUXIER ROAD GAS) CASE NO. 10288-J
COMPANY, INC.)

O R D E R

On April 10, 1991, the Commission issued its Order in Case Nos. 10288-D and 10288-E approving the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier"). The clause allowed for the quarterly adjustment in rates as set forth herein.

On February 27, 1992, Auxier filed its quarterly GCA, which is to become effective April 1, 1992 and is to remain in effect until July 1, 1992. On March 5, 1992, Auxier filed to further adjust its rates based on a decrease in rates from Kentucky West Virginia Gas Company.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice of February 27, 1992, as revised by its March 5, 1992 filing, set out certain revisions in rates which Auxier proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers. Auxier's expected gas cost ("EGC") for the quarter beginning April 1, 1992 is \$3.5060 per Mcf. It has been adjusted to correct a computational error in Auxier's calculation of the expected gas cost from Presley Energy.

2. Auxier's notice set out no refund adjustment.

3. Auxier's notice set out a current quarter actual adjustment ("AA") in the amount of 27 cents per Mcf to compensate for under-recovery of gas cost through the operation of its gas cost recovery procedure during the months of October, November and December 1991. The total AA of 25.1 cents per Mcf is designed to correct the current under-recovery, as well as under- and over-recoveries from 3 previous quarters.

4. The combined effect of the above adjustments is Auxier's gas cost recovery rate ("GCR") in the amount of \$3.7570 per Mcf, which is an increase of 13.21 cents per Mcf from its last approved rates.

5. Auxier's corrected adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case Nos. 10288-D and 10288-E dated April 10, 1991 is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 1992.

IT IS THEREFORE ORDERED that:

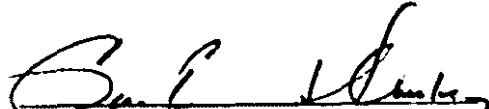
1. The rates proposed by Auxier are hereby denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with service rendered on and after April 1, 1992.

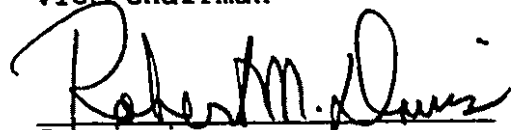
3. Within 30 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 2nd day of April, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10288-J DATED 4/2/92

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:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$3.7570	\$8.8670
All Over 1 Mcf Per Mcf	4.2599	3.7570	8.0169