

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF PHELPS)	CASE NO. 90-078-G
GAS COMPANY, INC.)	

O R D E R

On December 7, 1990, the Commission issued its Order in Case No. 90-078 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On September 30, 1992, Phelps Gas Company, Inc. ("Phelps") filed its quarterly GCA, which is to become effective November 1, 1992 and is to remain in effect until January 31, 1993.

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

1. Phelps' notice of September 30, 1992 set out certain revisions in rates which Phelps proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale change in gas cost from its supplier.

2. Phelps' expected gas cost ("EGC") adjustment for the quarter beginning November 1, 1992 should be \$3.8248 per Mcf.

3. Phelps' notice included a current actual adjustment in the amount of 1.03 cents per Mcf to compensate for under-recoveries from its customers resulting from the operation of its GCA during

the months of May, June, and July. Phelps' total actual adjustment in the amount of (2.80) cents per Mcf is calculated to return the current under-recovery, as well as over and under-recoveries from previous quarters.

4. Phelps' notice included a refund adjustment in the amount of 6.38 cents per Mcf, which is a refund factor from a previous quarter. There were no current quarter refund adjustments.

5. The combined effect of the above adjustments is Phelps' corrected gas cost recovery rate ("GCR") in the amount of \$3.7330 per Mcf, an increase of 4.82 cents per Mcf from its last approved rates.

6. The rates set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 90-078 dated December 7, 1990, are fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after November 1, 1992.

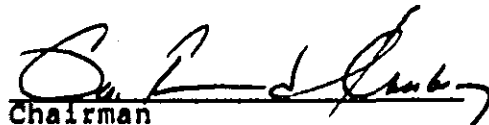
IT IS THEREFORE ORDERED that:

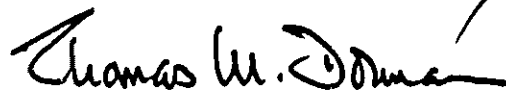
1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after November 1, 1992.

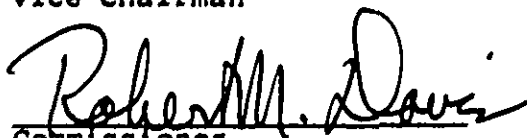
2. Within 30 days of the date of this Order, Phelps shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of October, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-078-G DATED October 28, 1992.

The following rates and charges are prescribed for the customers in the area 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 Mcf	\$8.1301 Minimum Bill
Over 1 Mcf	6.5000 Per Mcf

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.	\$3.7870 Per Mcf
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