

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-J
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 June 18, 1993, Phelps Gas Company, Inc. ("Phelps") filed its quarterly GCA, which is to become effective August 1, 1993 and is to remain in effect until October 31, 1993.

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

1. Phelps' notice of June 18, 1993 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 gas cost from its supplier. Phelps' expected gas cost ("EGC") adjustment for the quarter beginning August 1, 1993 is \$4.1881 per Mcf.

2. Phelps incorrectly included a current quarter refund adjustment in the amount of (4.11) cents per Mcf. This amount was not the result of a current supplier refund. The amount was

proposed to recover a balance remaining from previous refund and actual adjustments. Pursuant to Phelps' GCA clause, this adjustment should be incorporated in the actual cost adjustment as an additional adjustment factor reported with the third previous quarter.

3. Phelps' notice included a current actual adjustment ("AA") in the amount of (8.70) cents per Mcf to compensate for over-recoveries from its customers resulting from the operation of its GCA during the months of February, March, and April 1993. Phelps' corrected third quarter actual adjustment is 5.14 cents. Phelps' total AA in the amount of (1.29) cents per Mcf is calculated to return the current over-recovery, as well as over and under-recoveries from previous quarters.

4. The combined effect of the above adjustments is Phelps' gas cost recovery rate ("GCR") in the amount of \$4.1752 per Mcf, an increase of 41.49 cents per Mcf from its last approved rates.

5. 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 August 1, 1993.

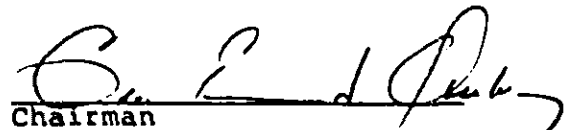
IT IS THEREFORE ORDERED that:

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 August 1, 1993.


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 July, 1993.

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-J DATED July 28, 1993.

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

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$4.3971	\$4.1752	\$8.5723
Over 1 Mcf	2.7670	4.1752	6.9422

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. \$4.3427 Per Mcf