

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DEMA) CASE NO. 91-230-D
GAS COMPANY, INC.)

O R D E R

On January 15, 1992, the Commission issued its Order in Case No. 91-230 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 December 3, 1992, Dema Gas Company, Inc. ("Dema") filed its quarterly GCA, which is to become effective January 1, 1993 and is to remain in effect until March 31, 1993.

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

1. Dema's notice of December 3, 1992 set out certain revisions in rates which Dema 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. Dema's expected gas cost ("EGC") for the quarter beginning January 1, 1993 is \$3.4105.

2. Dema's notice included an actual adjustment of (6.24) cents per Mcf to compensate for over-recovery of its gas cost through the operation of its gas cost recovery procedure during the months of July, August, and September 1992.

3. The combined effect of the above adjustments is Dema's gas cost recovery rate ("GCR") in the amount of \$3.3481 per Mcf, an increase of 10.47 cents per Mcf from its last approved rates.

4. Dema's 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 No. 91-230 dated January 15, 1992, is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after the date of this Order.

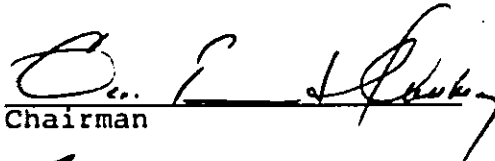
IT IS THEREFORE ORDERED that:

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 the date of this Order.

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

Done at Frankfort, Kentucky, this 19th day of January, 1993.

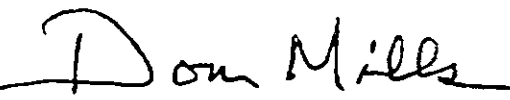
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-230-D DATED JANUARY 19, 1993

The following rates and charges are prescribed for the customers in the area served by Dema 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.

RATE:

| | <u>Base Rate</u> | <u>GCR</u> | <u>Total Retail Rate</u> |
|--------------|----------------------|------------|----------------------------------|
| First 1 Mcf | \$7.4648 | \$3.3481 | \$ 10.8129/Mcf |
| Over 1 Mcf | 6.2648 | 3.3481 | 9.6129/Mcf |
| Minimum Bill | \$10.81 | | |