

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF )  
AUXIER ROAD GAS COMPANY, INC. )      CASE NO. 10288-O

O R D E R

On April 10, 1991, in Case Nos. 10288-D and 10288-E the Commission approved the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On June 17, 1994, Auxier filed its GCA to be effective July 1, 1994 to October 1, 1994. On July 21, 1994, the Commission requested further information which Auxier provided on August 5, 1994.

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

1. Auxier's notice proposed revised rates designed to pass on to its customers the wholesale change in gas costs from its suppliers. Auxier miscalculated its expected gas cost ("EGC") by failing to use its full EREX rate of \$3.76 per Mcf and by dividing its purchased gas cost by purchase instead of sales volumes. Auxier's EGC for the quarter beginning July 1, 1994 should be \$3.2469 per Mcf.

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

3. Auxier's notice set out a current quarter actual adjustment ("AA") of (10.40) cents per Mcf to return over-recovered

gas cost from January, February and March 1994. The total AA of (22.91) cents per Mcf is designed to reflect the current over-collection, as well as under- and over-recoveries from previous periods.

4. Auxier's notice set out no current quarter balancing adjustment ("BA"). The total BA of (4.5) cents per Mcf is from a previous AA over-recovery.

5. These adjustments produce a gas cost recovery rate of \$2.9728 per Mcf, 24.72 cents per Mcf less than the prior rate.

6. The revised rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after the date of this Order.

IT IS THEREFORE ORDERED that:

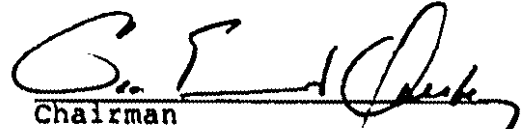
1. The rates proposed by Auxier are hereby denied.

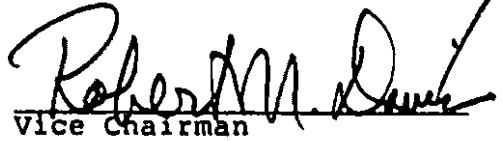
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after the date of this Order.

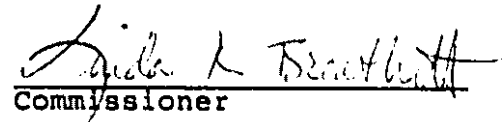
3. Within 30 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 12th day of September, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 10288-O DATED September 12, 1994

The following rates and charges are prescribed for the customers in the area 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	\$2.9728	\$8.0828
All Over 1 Mcf Per Mcf	4.2599	2.9728	7.2327