

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF B & H GAS)	CASE NO. 91-127-O
COMPANY, INC.)	

O R D E R

On January 13, 1992, in Case No. 91-127, the Commission approved certain adjusted rates for B & H Gas Company, Inc. ("B & H") and provided for their further adjustment in accordance with its gas cost adjustment ("GCA") clause.

On September 1, 1995, B & H filed to implement its tracking adjustments to reconcile under- and over-recoveries from its quarterly gas cost adjustment mechanism which was formerly in effect.

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

1. B & H's notice proposed a revised expected gas cost; its purchased gas adjustment mechanism currently on file, however, does not require such an adjustment to be made. B & H's gas cost, notwithstanding remaining tracking adjustments, is \$3.8421 per Mcf.

2. The notice set out a current quarter actual adjustment ("AA") to return \$24 in over-recoveries to its customers. This amount is de minimis and unnecessarily prolongs the transition to the new PGA process. The total AA of (4.94) cents per Mcf reflects

the three remaining previous quarter adjustments. B & H should continue to make quarterly filings to reflect the expiration of each previous AA. Barring any change in gas cost from its supplier, the gas cost rate effective October 1, 1996 should be \$3.8421 with no tracking adjustments.

3. B & H's notice set out a current balance adjustment ("BA") to return \$13 to its customers. This amount is de minimis and no adjustment should be made. There are no remaining BAs.

4. The adjusted purchased gas cost rate is \$3.7927, .31 cent per Mcf more than the prior rate.

5. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for service rendered on and after October 1, 1995.

IT IS THEREFORE ORDERED that:

1. The rates proposed by B & H be and they hereby are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for service rendered on and after October 1, 1995.

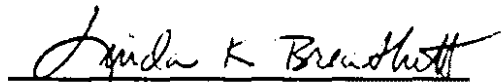
3. Within 30 days of the date of this Order, B & H shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of September, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-127-O DATED SEPTEMBER 29, 1995

The following rates and charges are prescribed for the customers in the area served by B & H 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 date of this Order.

RATES:

		<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First	2 Mcf	\$4.7938	\$7.5854	\$12.3792
Next	8 Mcf	1.9788	3.7927	5.7715
Next	20 Mcf	1.5611	3.7927	5.3538
Over	30 Mcf	1.3103	3.7927	5.1030

A surcharge in the amount of 3 cents per Mcf shall be added to the above rates until the obligation owed Kentucky-West Virginia Gas Company has been discharged or is recalculated.