

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF)
AUXIER ROAD GAS COMPANY) CASE NO. 10288-Y

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 December 2, 1996, Auxier filed its GCA to be effective January 1, 1997 to April 1, 1997. On December 12, 1996, it filed up-dated supplier cost information to be used in the calculation of its expected gas cost ("EGC.")

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

1. Auxier's notice, as up-dated, proposed revised rates designed to pass on to its customers the expected increased gas costs from its suppliers. Auxier's EGC for the quarter beginning January 1, 1997 should be \$3.6016 per Mcf.
2. Auxier's notice set out no refund adjustment.
3. Auxier's notice set out a current quarter actual adjustment ("AA") of (9.4) cents per Mcf to return over-recovered gas cost from July, August, and September 1996. The total AA of (44.8) cents per Mcf is designed to reflect the current over-collection, as well as over-recoveries from previous periods.

4. Auxier's notice set out a current quarter balance adjustment ("BA") of .6 cent per Mcf. The total BA of 2.1 cents per Mcf includes reconciling BA adjustments from previous quarters.

5. These adjustments produce a gas cost recovery rate of \$3.1746 per Mcf, 28.77 cents per Mcf more than the prior rate.


6. The 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 January 1, 1997.


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 approved effective for service rendered on and after January 1, 1997.
3. Within 30 days of the date of this Order, Auxier shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 16th day of December, 1996.

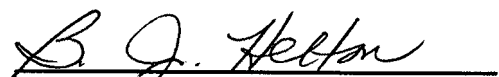
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10288-Y DATED DECEMBER 16, 1996

The following rates and charges are prescribed for the customers 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	\$3.1746	\$8.2846
All Over 1 Mcf Per Mcf	4.2599	3.1746	7.4345