

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF JOHNSON COUNTY GAS) CASE NO. 10415-AA
COMPANY, INC.)

O R D E R

On April 24, 1991, in Case No. 91-004, the Commission approved adjustments to the rates of Johnson County Gas Company, Inc. ("Johnson County") on a quarterly basis in accordance with the Gas Cost Adjustment ("GCA") Clause set forth in the Order.

On November 25, 1996, Johnson County filed an amendment to its October 1, 1996 GCA to reflect an unexpected increase in gas cost for December 1996.

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

1. Johnson County's notice of November 25, 1996 proposed rates designed to pass on its expected increase in wholesale gas costs to its customers. Johnson County's filing included a sheet provided by its supplier, Alliance Energy Services ("Alliance"), showing an estimated citygate price for natural gas for the month of December 1996 of \$4.8165 per Mcf. Johnson County's proposed expected gas cost ("EGC") is \$4.7519 per Mcf.
2. This adjustment produces a gas cost recovery rate of \$5.5914 per Mcf, 82.56 cents per Mcf more than the prior rate.

3. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after December 15, 1996. Johnson County did not give the notice required for rates to be effective December 1, 1996. It did, however, request a waiver of the 30-day notice requirement, and good cause exists to implement the proposed rates with 20 days notice.

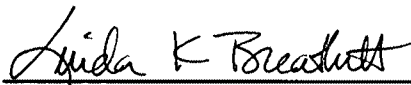
IT IS THEREFORE ORDERED that:


1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after December 15, 1996.

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

Done at Frankfort, Kentucky, this 13th day of December, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10415-AA DATED DECEMBER 13, 1996

The following rates and charges are prescribed for the customers served by Johnson County 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>
Customer Charge			\$3.00
All Mcf	\$2.9871	\$5.5914	\$8.5785

A surcharge of \$.4155 per Mcf will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.