

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 1, 1997, Auxier filed its GCA to be effective January 1, 1998 to April 1, 1998.

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

1. In its notice, Auxier proposed revised rates designed to pass on to its customers the expected decreased gas costs from its suppliers. Auxier's proposed EGC for the quarter beginning January 1, 1998 is \$3.0820 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 cent per Mcf to collect under-recovered gas cost from July, August, and September 1997. The total AA of (39.60) cents per Mcf is designed to reflect the current under-collection, as well as over-recoveries from previous periods.

4. Auxier's notice set out a current quarter balance adjustment ("BA") of (1.3) cent per Mcf. The total BA of (.60) cent per Mcf includes reconciling BA adjustments from previous quarters.

5. These adjustments produce a gas cost recovery rate of \$2.6800 per Mcf, 1.40 cents per Mcf less 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, 1998.

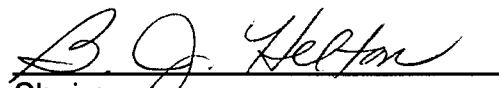
IT IS THEREFORE ORDERED that:

1. 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, 1998.

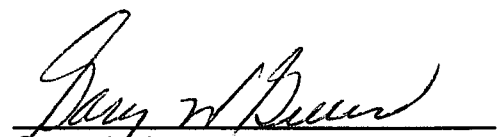
2. Within 30 days of the date of this Order, Auxier shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of December, 1997.

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-CC DATED DECEMBER 23, 1997

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	\$2.6800	\$7.7900
All Over 1 Mcf Per Mcf	4.2599	2.6800	6.9399