

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY)	
FILING OF SIGMA GAS CORPORATION)	CASE NO. 93-349-L

O R D E R

On December 15, 1993, in Case No. 93-349, the Commission approved certain rates for Sigma Gas Corporation ("Sigma") and provided by tariff for their further adjustment on a quarterly basis in accordance with its approved gas cost adjustment ("GCA") clause.

On August 31, 1998, Sigma filed its GCA to be effective October 1, 1998 through December 31, 1998.

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

1. In its notice of August 31, 1998 Sigma proposed revised rates designed to pass on to its customers its expected wholesale decrease in gas costs. Sigma's proposed expected gas cost ("EGC") is \$3.4383 per Mcf, 5.07 cents per Mcf less than the prior EGC.

2. Sigma's notice set out no current refund adjustment.

3. Sigma's notice set out a current quarter actual adjustment ("AA") of (4.6) cents per Mcf to return over-recovered gas cost from April, May, and June 1998. The

total AA of (37.7) cents per Mcf is composed of the current AA and previous quarter AAs, and represents an increase of 6.1 cents per Mcf over the prior total AA.

4. Sigma proposed a current quarter balance adjustment ("BA") of 20.5 cents per Mcf to reconcile an under-recovery from a previous AA. The total proposed BA is 26.90 cents per Mcf, an increase of 22.6 cents per Mcf over the prior total BA.

5. Sigma's gas cost recovery rate is \$3.3303 per Mcf, 23.63 cents per Mcf more than the previously authorized rate of \$3.0940 per Mcf.

6. Sigma's adjustment in rates contained in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved effective with bills rendered on and after October 1, 1998.

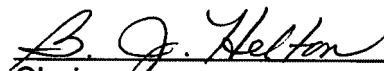
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are authorized to be effective with bills rendered on and after October 1, 1998.

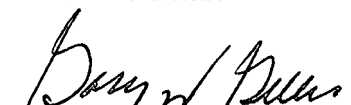
2. Within 30 days of the date of this Order, Sigma shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 30th day of September, 1998.

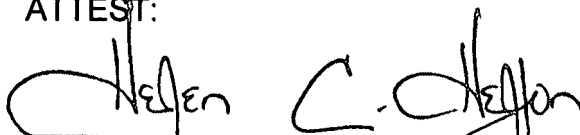
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-349-L DATED September 30, 1998.

The following rates and charges are prescribed for the customers in the area served by Sigma Gas Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$3.90	\$3.3303	\$7.2303
All Over 1st Mcf	\$2.97	\$3.3303	\$6.3003