

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On April 10, 1991, the Commission issued its Order in Case Nos. 10288-D and 10288-E approving the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier"). The clause allowed for the quarterly adjustment in rates as set forth herein.

On August 31, 1993, Auxier filed its quarterly GCA to be effective October 1, 1993 until January 1, 1994. On September 14, 1993 and October 1, 1993, the Commission issued Orders directing Auxier to file additional information which it subsequently supplied. In its response of October 13, 1993, Auxier proposed to revise its rates based on a correction to its actual adjustment ("AA") calculation and the calculation of a balancing adjustment ("BA").

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

1. Auxier's notice of August 31, 1993, as revised by its October 13, 1993 filing, set out certain revisions in rates which Auxier proposed to place into effect, said rates being designed to pass on to its customers the wholesale increase in gas costs from its suppliers. Auxier's expected gas cost ("EGC") for the quarter beginning October 1, 1993 is \$4.0465 per Mcf.

2. Auxier's notice set out no refund adjustment.

3. Auxier's revised notice set out a current quarter AA in the amount of 12 cents per Mcf to compensate for under-recovery of gas cost through the operation of its gas cost recovery procedure during the months of January 1992 through June 1993. The AA should be 18.65 cents per Mcf based on the 56,737 Mcf sales used to calculate other adjustments in the filing. This AA is designed to correct under- and over-recoveries from a period when Auxier's rates were suspended.

4. Auxier's revised notice set out a current quarter BA in the amount of 17.1 cents per Mcf. Correcting Auxier's BA for the use of incorrect sales volumes and historic AA figures produces a BA of (4.5) cents per Mcf.

5. The combined effect of the above adjustments is Auxier's gas cost recovery rate ("GCR") in the amount of \$4.1880 per Mcf, which is an increase of 43.10 cents per Mcf from its last approved rates.

6. Auxier's corrected adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Cases No. 10288-D and No. 10288-E dated April 10, 1991 is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after the date of this Order.

IT IS THEREFORE ORDERED that:

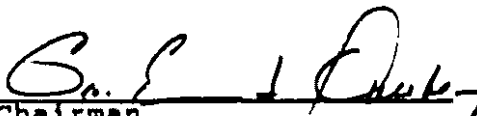
1. The rates proposed by Auxier are hereby denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with service rendered on and after the date of this Order.

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

Done at Frankfort, Kentucky, this 21st day of December, 1993.

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-M DATED December 21, 1993.

The following rates and charges are prescribed for the customers in the area 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	\$4.1880	\$9.2980
All Over 1 Mcf Per Mcf	4.2599	4.1880	8.4479