

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF PHELPS) CASE NO. 8562-G
GAS COMPANY, INC.)

 O R D E R

On November 30, 1982, the Commission issued its Order in Case No. 8562 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 6, 1983, Phelps Gas Company, Inc., ("Phelps") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas of Kentucky, Inc., ("Columbia") and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Phelps' notice of October 6, 1983, set out certain revisions in rates which Phelps proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$1,580 or 5.4 cents per Mcf.

(2) On October 3, 1983, Columbia notified Phelps of a decrease in the wholesale cost of gas effective September 1, 1983.

(3) Due to the retroactive nature of Columbia's decrease, Phelps proposes to implement adjusted rates November 1, 1983. Phelps should report to the Commission any excess revenues collected during the period from September 1, 1983, to November 1, 1983, along with a plan to refund any excess collections to its customers.

(4) The rates proposed by Phelps contain a computational error in the second rate block. The rate should be \$6.96 per Mcf rather than \$6.92 per Mcf as proposed.

(5) Phelps' adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8562 dated November 30, 1982, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1983.


IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1983.

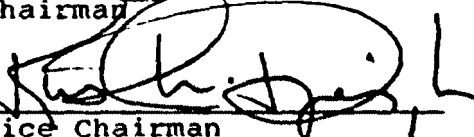
IT IS FURTHER ORDERED that within 60 days of the date of this Order Phelps shall report to the Commission any excess revenues collected during the period from September 1, 1983, to the date the authorized rates are implemented, along with a plan to refund any excess collections.


IT IS FURTHER ORDERED that within 30 days of the date of this Order Phelps shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of October, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8562-G DATED OCTOBER 24, 1983

The following rates and charges are prescribed for the customers served by Phelps 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:

First 1 Mcf	\$9.26	Minimum Bill
Over 1 Mcf	6.96	per Mcf

The base rate for the future application of the purchased gas adjustment clause of Phelps Gas Company, Inc., shall be:

	<u>Commodity</u>
Columbia Gas of Kentucky, Inc.	\$5.725 per Mcf