

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF AUXIER) CASE NO. 9318-A
ROAD GAS COMPANY, INC.)

O R D E R

On February 20, 1986, Auxier Road Gas Co., Inc., ("Auxier Road") filed a notice that its wholesale cost of gas had been decreased by its supplier and requested the Commission to approve a corresponding reduction in Auxier Road's existing rates. Auxier Road's filing indicated that its then existing rates were those that went into effect on April 19, 1985, following its request for a rate adjustment in Case No. 9318. Although the Commission approved Auxier Road's requested rate decrease by Order entered March 3, 1986, the Commission calculated the decrease based on the rates actually approved by the Commission in its Order entered December 20, 1985, in Case No. 9318.

Auxier Road petitioned for, and was granted, rehearing in Case Nos. 9318 and 9318-A on the issue of whether it was obligated to immediately implement the rates approved by the Commission's December 20, 1985, Order or await an order on rehearing. The Commission takes administrative notice that by Order issued this day in Case No. 9318, the Commission has determined, adverse to Auxier Road's position, that the rates approved by Order entered December 20, 1985, were the legal rates to be charged on and after

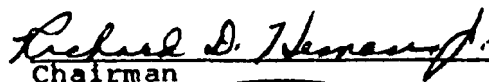
that date irrespective of the pendency of a rehearing. Based on this determination, the Commission hereby finds that its utilization of the rates approved by Order entered December 20, 1985, in Case No. 9318 was proper for calculating Auxier Road's rate decrease in this purchased gas adjustment filing.

The Commission further notes that the Order issued this day in Case No. 9318 requires Auxier Road to refund excess revenues collected since December 20, 1985.

IT IS THEREFORE ORDERED that this rehearing be and it hereby is dismissed and the Commission's Order entered March 3, 1986, be and it hereby is affirmed.

Done at Frankfort, Kentucky, this 2nd day of July, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary