

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)
GAS ADJUSTMENT FILING OF) CASE NO. 9911-A
PHELPS GAS COMPANY, INC.)

O R D E R

On April 9, 1987, Phelps Gas Company, Inc., ("Phelps") filed Case No. 9911 proposing certain adjustments in rates. On October 9, 1987, those rates went into effect, pursuant to KRS 278.190, subject to refund and further Orders of the Commission.

On October 14, 1987, Phelps filed a purchased gas adjustment to adjust the rates contained in Case No. 9911 to reflect two changes in rates from its supplier, Columbia Gas of Kentucky, Inc., ("Columbia") effective July 1, 1987, and September 1, 1987, both of which occurred since the filing of the rate case.

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

(1) Phelps' notice of October 14, 1987, set out certain revisions in rates which Phelps proposed to place into effect, said rates being designed to pass on the combined wholesale decreases in price from its supplier in the amount of \$8,605 or 46.64 cents per Mcf.

(2) Phelps' wholesale cost of gas was decreased by Columbia effective July 1, 1987, and September 1, 1987.

(3) Phelps correctly applied for the full amount of the decrease in rates from Columbia since the filing of its rate case, but its proposed rates contained only the September 1, 1987, decrease. Phelps' rates should reflect the decrease of July 1, 1987, as well.

(4) Phelps' proposed adjustment in rates under purchased gas adjustment provisions is fair, just, and reasonable and in the public interest, subject to the final determination of rates in Case No. 9911 and should be effective with gas supplied on and after October 9, 1987.

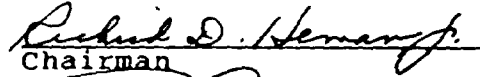
IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized, subject to the final Order in Case No. 9911, effective with gas supplied on and after October 9, 1987, in place of those proposed by Phelps which did not contain the full decrease.

(2) 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 13th day of November, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9911-A DATED 11/13/87

The following rates 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 the authority of the Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$8.5336 Minimum Bill
Over 1 Mcf	7.3336 Per Mcf

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

Commodity

Columbia Gas of Kentucky, Inc.	\$3.5939 per Mcf
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