

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On December 20, 1985, the Commission issued its Order in Case No. 9318 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 February 18, 1988, Auxier Road Gas Company, Inc., ("Auxier") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Columbia Gas of Kentucky, Inc., ("Columbia") effective March 1, 1988, 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) Auxier's notice of February 18, 1988, set out certain revisions in rates which Auxier proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$579 or .98 cents per Mcf.

(2) Auxier's wholesale cost of gas was decreased by Columbia effective March 1, 1988.

(3) Auxier's proposed adjustment in rates is based on rates approved in Case No. 9318-E, its previous purchased gas adjustment filing. The adjustment in rates should be based on rates approved in the Commission's Order dated March 1, 1988, pursuant to an Order of the Franklin Circuit Court in Auxier Road Gas Company, Inc., v. Public Service Commission, et al., Civil Action No. 86-CI-1356.

(4) Auxier's corrected adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9318 dated December 20, 1985, is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after March 1, 1988.

(5) The rates in the Appendix to this Order should be subject to refund pending the outcome of Case No. 9318-D, a purchased gas adjustment filing of Auxier Road Gas Company, Inc., involving the issue of whether Auxier Road should include in its wholesale cost of gas the purchases of lower cost gas from local producers and passing through of savings from the lower cost gas to its customers in its purchased gas adjustment filings.

(6) Auxier should report to the Commission the amount of excess revenues collected from March 1, 1988, to the date the proposed rates are implemented, along with a refund plan.

IT IS THEREFORE ORDERED that:

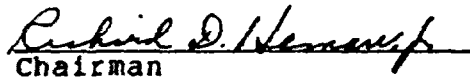
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after March 1, 1988, subject to refund.

(2) Within 30 days of the date of this Order Auxier shall report the amount of excess revenues collected, along with a refund plan.

(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 18th day of March, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9318-F DATED 3/18/88

The following rates and charges are prescribed for the customers 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: Monthly

First	1,000 Cu.Ft.	\$8.22
All Over	1,000 Cu.Ft.	7.38 per 1,000 Cu.Ft.

MINIMUM BILL 8.22

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

Commodity

Columbia Gas of Kentucky, Inc. \$3.5841 per Mcf