

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On October 9, 1987, the Commission issued its Order in Case No. 9911 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 June 13, 1988, Phelps Gas Company, Inc. ("Phelps"), notified the Commission that its wholesale cost of gas was 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) Phelps' notice of June 13, 1988 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 \$181 or .98 cents per Mcf.

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

(3) Phelps 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.

(4) Phelps' adjustment in rates under the purchased gas adjustment provision approved by the Commission in its Order in Case No. 9911 dated October 9, 1987 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after March 1, 1988.

IT IS THEREFORE ORDERED that:

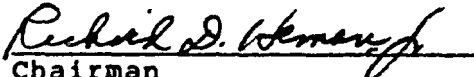
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after March 1, 1988.

(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.

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

Done at Frankfort, Kentucky, this 1st day of July, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9911-B DATED 7/1/88

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	\$8.5238 Minimum Bill
Over 1 Mcf	7.3238 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. \$3.5841 per Mcf