

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)
GAS ADJUSTMENT FILING OF) CASE NO. 9911-E
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 February 6, 1989, Phelps Gas Company, Inc. ("Phelps") notified the Commission that its wholesale cost of gas will be increased by its supplier, Columbia Gas of Kentucky, Inc. ("Columbia"), effective March 1, 1989, 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 February 6, 1989 set out certain revisions in rates which Phelps proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$1,116 or 6.11 cents per Mcf.

(2) Phelps' wholesale cost of gas will be increased by Columbia effective March 1, 1989.

(3) KRS 278.180 requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the notice period from 30 days to not less than 20 days upon showing of good cause. Reductions in rates will be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice providing that the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause. Phelps' included no request for a showing of good cause for 20-days' notice. The effective date will, therefore, be 30 days after Phelps' notice, or March 8, 1989.

(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 and in the public interest and should be effective with gas supplied on and after March 8, 1989.

IT IS THEREFORE ORDERED that:

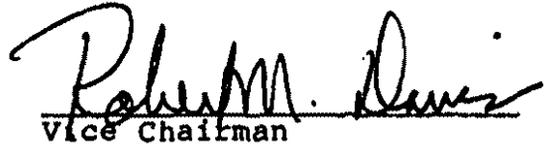
(1) The rates in the Appendix, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after March 8, 1989.

(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 21st day of February, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9911-E DATED 2/21/89

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	\$7.7669 Minimum Bill
Over 1 Mcf	6.1005 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.	\$3.5608 per Mcf
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