

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 9911-F
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 August 7, 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 September 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 otherwise sufficiently advised, the Commission is of the opinion and finds that:

(1) Phelps' notice of August 7, 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. The adjustment in rates proposed by Phelps was calculated using an IUS rate proposed by Columbia in

Case No. 10201-B, The Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., filed August 1, 1989. Columbia has advised the Commission that rates ordered into effect by the Commission's Order of August 23, 1989 in Case No. 89-228 were placed into effect on August 25, 1989. The rates contained in the Appendix to this Order are based on Columbia's IUS rate effective August 25, 1989. The change in wholesale price will be an increase of \$3,483 or 19.07 cents per Mcf.

(2) In Case No. 10201-B, Columbia filed for an increase in its IUS rate effective September 1, 1989. Phelps requested a waiver of the 30-day filing requirement. Pursuant to KRS 278.180, upon Phelps' showing of good cause, Phelps' effective date for the increase should be September 1, 1989.

(3) Phelps' adjustment in rates, as amended herein, 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 September 1, 1989.


IT IS THEREFORE ORDERED that:

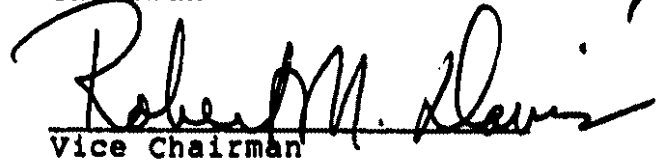
(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after September 1, 1989.

(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 1st day of September, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director, Acting

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 9911-F DATED 9/1/89

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	\$7.9576 Minimum Bill
Over 1 Mcf	6.2912 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.	\$3.7515 per Mcf
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