

The Commission HEREBY ORDERS that:

1. Phelps shall submit to the Commission within 20 days of the date of this Order a written response to the allegations that it is failing to comply with KRS 278.160(2).

2. Phelps shall appear on July 30, 1991 at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning its alleged failure to comply with KRS 278.160(2) and of showing cause, if any it can, why it should not be subject to the penalties of KRS 278.990 for its alleged failure.

3. Phelps shall immediately cease charging rates not prescribed in its filed rate schedule.

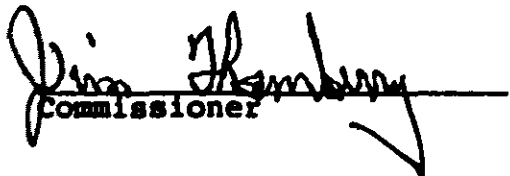
4. Within 20 days of the date of this Order, Phelps shall submit to the Commission a schedule showing the amount of all unauthorized rates billed since January 1, 1991 and identifying each customer billed unauthorized rates, the total amount of unauthorized rate billed, and the billing period in which these rates were collected.

Done at Frankfort, Kentucky, this 26th day of June, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-204
DATED 6/26/91

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

UTILITY BILLING INSPECTION REPORT


**MIKE LITTLE GAS COMPANY, INC.
ELZIE NEELEY GAS COMPANY, INC.
PHELPS GAS COMPANY, INC.**


On May 16, 1991, a billing inspection was performed at the utilities' office in Melvin, Kentucky. During the inspection, Commission Staff reviewed billing documents including, but not limited to, the monthly computerized billing information and interviewed Virginia S. Gibson, Bookkeeper.

The following items were noted for the time period for service rendered on or after January 1, 1991:

1. The rates charged to Mike Little's customers exceed the authorized usage rates by \$.0348 per Mcf.
2. The rates charged to Phelps' customers exceed the authorized usage rates by \$.0291 per Mcf and a surcharge of \$.25 on the first Mcf and \$.20 all over 1 Mcf.
3. The rates charged to Elzie Neeley's customers exceed the authorized usage rates by \$.0291 per Mcf.

Dated this 17th day of May 1991.


Jordan C. Neel
Public Utility Rate
Analyst Chief


Leah Faulkner
Public Utility Rate
Analyst Chief