

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF B & H GAS) CASE NO. 91-127-K
COMPANY, INC.)

O R D E R

On January 13, 1992, in Case No. 91-127, the Commission approved certain adjusted rates for B & H Gas Company, Inc. ("B & H") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On September 1, 1994, B & H filed its GCA to be effective from October 1, 1994 to January 1, 1995.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. B & H's notice proposed revised rates designed to pass on its wholesale decrease in gas cost. B & H's expected gas cost is \$3.8622, a decrease of .03 cent per Mcf.

2. B & H had no refunds to report. Therefore, its notice set out no refund adjustment.

3. The notice set out a current quarter actual adjustment ("AA") of .20 cent per Mcf which will recoup unrecovered gas cost from April, May, and June 1994. The total adjustment of .93 cent per Mcf reflects the current under-collection as well as under- or over-collections from previous quarters.

4. B & H's notice set out an incorrect balance adjustment ("BA"). It did not use figures from the AA which expired June 30, 1994 in calculating its current BA. It also failed to include an adjustment for the BA which expired June 30, 1994. The correct current quarter BA should be (.11) cent per Mcf to compensate for remaining over-collections from previous actual and balancing adjustments. The total BA should be (.26) cent per Mcf.

5. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for service rendered on and after October 1, 1994.

IT IS THEREFORE ORDERED that:

1. The rates proposed by B & H be and they hereby are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for service rendered on and after October 1, 1994.

3. Within 30 days of the date of this Order, B & H shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of September, 1994.

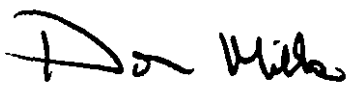
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-127-K DATED September 27, 1994.

The following rates and charges are prescribed for the customers in the area served by B & H 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 date of this Order.

RATES:

		<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First	2 Mcf	\$4.7938	\$7.7378	\$12.5316
Next	8 Mcf	1.9788	3.8689	5.8477
Next	20 Mcf	1.5611	3.8689	5.4300
Over	30 Mcf	1.3103	3.8689	5.1792

A surcharge in the amount of 3 cents per Mcf shall be added to the above rates until the obligation owed Kentucky-West Virginia Gas Company has been discharged or is recalculated.