

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF)
AUXIER ROAD GAS COMPANY) CASE NO. 10288-U

O R D E R

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On December 11, 1995, Auxier filed its GCA to be effective January 1, 1996 to April 1, 1996. On December 22, 1995, Auxier filed to amend its filing to reflect expected further increases in gas cost.

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

1. Auxier's amended notice proposed revised rates designed to pass on to its customers the expected increased gas costs from its suppliers. Auxier's EGC for the quarter beginning January 1, 1996 is \$3.6138 per Mcf.

2. Auxier's notice set out no refund adjustment.

3. Auxier's notice set out a current quarter actual adjustment ("AA") of (7.9) cents per Mcf to return over-recovered gas cost from July, August, and September 1995. The total AA of (25.10) cents per Mcf is designed to reflect the current over-collection, as well as under- and over-recoveries from previous periods.

4. Auxier's notice set out a current quarter balancing adjustment ("BA") of (1.3) cents per Mcf. The total BA of 1.0 cent per Mcf includes reconciling BA adjustments from previous quarters.

5. These adjustments produce a gas cost recovery rate of \$3.3728 per Mcf, \$1.0225 per Mcf more than the prior rate.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after the date of this Order.

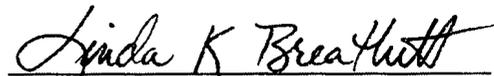
IT IS THEREFORE ORDERED that:

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

2. Within 30 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of January, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10288-U DATED JANUARY 24, 1996

The following rates and charges are prescribed for the customers in the area served by Auxier Road 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 effective date of this Order.

RATES:

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|--------------------------|------------------|---------------------------------------|--------------|
| First Mcf (Minimum Bill) | \$5.11 | \$3.3728 | \$8.4828 |
| All Over 1 Mcf Per Mcf | 4.2599 | 3.3728 | 7.6327 |