

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF B & H) CASE NO. 91-127-Q
GAS 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 in accordance with its gas cost adjustment ("GCA") clause.

On March 1, 1996, B & H filed to implement its tracking adjustments to reconcile under- and over-recoveries from its quarterly gas cost adjustment mechanism which was formerly in effect.

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

1. B & H's notice set out its gas cost of \$3.8421 per Mcf.
2. The notice set out B & H's last remaining actual adjustment ("AA"); B & H incorrectly deleted the final AA of (4.2) cent per Mcf and included a previous AA of (.64) cent which has expired. The total AA of (4.20) cents per Mcf reflects the one remaining previous quarter adjustment. B & H should make one more quarterly filing to reflect the expiration of this AA. Barring any

change in gas costs from its supplier, the gas cost rate effective July 1, 1996 should be \$3.8421, with no tracking adjustments.

4. The adjusted purchased gas cost rate is \$3.8001, .64 cent per Mcf more than the prior rate.

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 April 1, 1996.

IT IS THEREFORE ORDERED that:

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

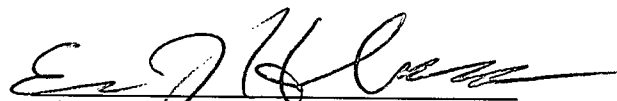
2. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for service rendered on and after April 1, 1996.

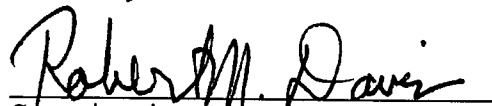
3. Within 30 days of the date of this Order, B & H shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 26th day of March, 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. 91-127-Q DATED MARCH 26, 1996.

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	\$7.6002	\$12.3940
Next	8 Mcf	1.9788	3.8001	5.7789
Next	20 Mcf	1.5611	3.8001	5.3612
Over	30 Mcf	1.3103	3.8001	5.1104

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.