

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY)	
FILING OF SIGMA GAS CORPORATION)	CASE NO. 93-349-H

O R D E R

On December 15, 1993, in Case No. 93-349, the Commission approved certain rates for Sigma Gas Corporation ("Sigma") and provided by tariff for their further adjustment on a quarterly basis in accordance with its approved gas cost adjustment ("GCA") clause.

On August 29, 1997, Sigma filed its GCA to be effective October 1, 1997 through December 31, 1997.

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

1. Sigma's notice of August 29, 1997 proposed revised rates designed to pass on to its customers its expected wholesale increase in gas costs. Sigma's proposed EGC is \$3.9770 per Mcf.
2. Sigma's notice set out no current refund adjustment.
3. Sigma's notice set out a current quarter actual adjustment ("AA") of (10.70) cents per Mcf to return over-recovered gas cost from April, May, and June 1997. The total AA of (95.30) cents per Mcf is composed of the current AA and previous quarter AAs.

4. Sigma did not propose a current quarter balance adjustment ("BA"); it should have done so, however, to reconcile a remaining over-recovery from the 6.12 cent per Mcf AA which expired June 30, 1997. The current quarter BA should be (2.10) cents per Mcf. This is also the total BA.

5. Sigma's gas cost recovery rate is \$3.0030 per Mcf, 65.70 cents per Mcf more than the previously authorized rate.

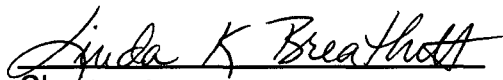
6. Sigma's adjustment in rates contained in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved effective with bills rendered on and after October 1, 1997.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Sigma are hereby denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are authorized to be effective with bills rendered on and after October 1, 1997.
3. Within 30 days of the date of this Order, Sigma shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 1st day of October, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-349-H DATED OCTOBER 1, 1997

The following rates and charges are prescribed for the customers in the area served by Sigma Gas Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$3.90	\$3.0030	\$6.9030
All Over 1st Mcf	\$2.97	\$3.0030	\$5.9730