

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-T
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 October 20, 2000, B & H filed its GCA to be effective October 1, 2000. By Order dated November 20, 2000, the Commission suspended B & H's proposed rates in order to investigate the reasonableness of the proposed \$2.35 increase in the supply of gas B & H purchases from its affiliate, B & S Oil. B & H supplied a calculation of its proposed rate based on the NYMEX Index and B & H's transportation costs.

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

1. B & H's notice proposed revised rates to pass on its expected increase in gas costs to its customers. B & H's proposed expected gas cost ("EGC") is \$6.00 per Mcf. This represents an increase of \$2.35 per Mcf from the previous EGC of \$3.65.

2. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after the date of this Order.

IT IS THEREFORE ORDERED that:

1. The rates proposed by B & H are hereby approved.
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 the date of this Order.
3. Within 30 days of the date of this Order, B & H shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 29th day of November, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-127-T DATED NOVEMBER 29, 2000

The following rates and charges are prescribed for the customers served by B & H. 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 2 Mcf (Minimum Bill)	\$4.7938	\$12.0000	\$16.7938
Next 8 Mcf	1.9788	6.0000	\$ 7.9788
Next 20 Mcf	1.5611	6.0000	\$ 7.5611
Next 30 Mcf	1.3103	6.0000	\$ 7.3103

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.