

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT OF)	CASE NO.
AUXIER ROAD GAS COMPANY, INC.)	2003-00339

ORDER

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 September 2, 2003, Auxier filed its proposed GCA to be effective October 1, 2003.

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

1. Auxier s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Auxier s Expected Gas Cost (EGC) is \$7.6685 per Mcf, \$1.0361 per Mcf less than the prior EGC of \$8.7046.
3. Auxier s notice sets out no current refund adjustment.
4. Auxier s notice sets out a current quarter actual adjustment (AA) of (75.78) cents per Mcf. Auxier s notice includes a total AA of (70.81) cents per Mcf, a decrease of 74.34 cents per Mcf from the previous total AA.
5. Auxier s notice sets out a current quarter balance adjustment (BA) of 8.2 cents per Mcf. Auxier s notice sets out a total BA of 7.27 cents per Mcf, which is an increase of 28.58 cents per Mcf from the previous total BA.

6. Auxier's gas cost recovery rate is \$7.0331 per Mcf, which is \$1.4937 less than the previous rate of \$8.5268 per Mcf.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Auxier on and after October 1, 2003.

IT IS THEREFORE ORDERED that:

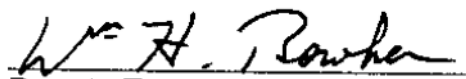
1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 1, 2003.

2. Within 20 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 22nd day of September, 2003.

By the Commission

ATTEST:


Deputy Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00339 DATED September 22, 2003

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$7.0331	\$12.1431
All Over 1 Mcf	\$ 4.2599	\$7.0331	\$11.2930