

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | |
|---------------------------|---------------------|
| THE ADJUSTMENT OF RATES) | |
| OF AUXIER ROAD GAS) | CASE NO. 2004-00487 |
| COMPANY, INC.) | |

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.¹

On December 1, 2004, Auxier filed its proposed GCA to be effective January 1, 2005. On December 3, 2004, Auxier revised its filing.

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 \$10.4938 per Mcf, \$3.1356 per Mcf more than the prior EGC of \$7.3582.
3. Auxier's notice sets out no current refund adjustment.
4. Auxier's notice sets out a current quarter actual adjustment ("AA") of (6.42) cents per Mcf. Auxier's notice includes a total AA of (12.77) cents per Mcf, an increase of 22.1 cents per Mcf from the previous total AA.

¹ Case No. 10288-D and 10288-E, Notice of Purchased Gas Adjustment Filing of Auxier Road Gas Company, Inc., Order dated April 10, 1991.

5. Auxier's notice sets out a current quarter balance adjustment ("BA") of 6.1 cents per Mcf. Auxier's notice sets out a total BA of 18.82 cents per Mcf, which is an increase of 5.46 cents per Mcf from the previous total BA.

6. Auxier's gas cost recovery rate is \$10.5543 per Mcf, which is \$3.4112 more than the previous rate of \$7.1431 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 January 1, 2005.

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 January 1, 2005.

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

Done at Frankfort, Kentucky, this 17th day of December, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00487 DATED December 17, 2004

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 the same as those 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 | \$10.5543 | \$15.6643 |
| All Over 1 Mcf | \$ 4.2599 | \$10.5543 | \$14.8142 |