

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MIKE)
LITTLE GAS COMPANY, INC.) CASE NO. 93-400-F

O R D E R

On December 17, 1993, in Case No. '93-400, the Commission approved the merger of Elzie Neeley Gas Company, Inc. ("Elzie Neeley") and Phelps Gas Company, Inc. ("Phelps") into Mike Little Gas Company, Inc. ("Mike Little") and provided for the adjustment of rates of the merged companies on a quarterly basis in accordance with the provisions of Mike Little's gas cost adjustment ("GCA") clause.

On March 31, 1995, Mike Little filed its GCA to be effective May 1, 1995 until July 31, 1995.

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

1. Mike Little's notice proposed revised rates designed to pass on its expected wholesale decrease in gas cost to its customers. Mike Little's expected gas cost ("EGC") for the quarter is \$3.6535 per Mcf.

2. Mike Little's notice set out no refund adjustment.

3. Mike Little's notice set out a current quarter actual adjustment ("AA") of (3.80) cents per Mcf to return overrecovered gas cost from November and December 1994 and January 1995. The

total AA of .45 cent per Mcf reflects the net over-recovery of the combined system for the current and previous three quarters. Mike Little had incorrectly calculated its total AA by including a previous quarter AA of 2.3 cents per Mcf instead of .23 cent per Mcf.

4. These adjustments produce a gas cost recovery rate ("GCR") of \$3.6580 per Mcf, 38.02 cents per Mcf less than the prior rate.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for gas supplied on and after May 1, 1995.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Mike Little be and they hereby are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are effective for gas supplied on and after May 1, 1995.

3. Within 30 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

4. In its April 1, 1996 filing for rates effective May 1, 1996, Mike Little shall include a report of additional customers receiving service on the new Joint Venture supply line, along with

a comparison of the IUS rate to other available rates as required
in the Commission's Order in Case No. 93-400-E.¹

Done at Frankfort, Kentucky, this 1st day of May, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

¹ Case No. 93-400-E, In the Matter of The Notice of Purchased Gas Adjustment Filing of Mike Little Gas Company, Inc., Order dated March 15, 1995.

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-400-F DATED May 1, 1995.

The following rates and charges are prescribed for the customers in the area served by Mike Little 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 FOR CUSTOMERS FORMERLY SERVED BY MIKE LITTLE GAS COMPANY

Monthly

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|----------------------------|------------------|---------------------------------------|--------------|
| First 1 Mcf - Minimum Bill | \$2.8211 | \$3.6580 | \$6.4791 |
| Over 1 Mcf | 2.6040 | 3.6580 | 6.2620 |

RATES FOR CUSTOMERS FORMERLY SERVED BY ELZIE NEELEY GAS COMPANY

Monthly

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|----------------------------|------------------|---------------------------------------|--------------|
| First 1 Mcf - Minimum Bill | \$3.4984 | \$3.6580 | \$7.1564 |
| Over 1 Mcf | 2.4658 | 3.6580 | 6.1238 |

RATES FOR CUSTOMERS FORMERLY SERVED BY PHELPS GAS COMPANY

Monthly

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|----------------------------|------------------|---------------------------------------|--------------|
| First 1 Mcf - Minimum Bill | \$4.3971 | \$3.6580 | \$8.0551 |
| Over 1 Mcf | 2.7670 | 3.6580 | 6.4250 |