

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 2008-00005
LITTLE GAS COMPANY, INC.)	

ORDER

On October 22, 2003, in Case No. 2003-00141,¹ the Commission approved rates for Mike Little Gas Company, Inc. (“Mike Little”), and provided for their further adjustment in accordance with Mike Little’s Gas Cost Adjustment (“GCA”) clause.

On January 2, 2008, Mike Little filed its proposed GCA to be effective February 1, 2008.

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

1. Mike Little’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Mike Little’s notice sets out an Expected Gas Cost (“EGC”) of \$9.238 per Mcf. However, Mike Little used an incorrect Columbia Gas rate and miscalculated its allowable Mcf purchases on Schedule II. Correcting for these errors produces an EGC of \$10.359, which is a decrease of \$.605 per Mcf from the previous EGC of \$10.9640.
3. Mike Little’s notice sets out no current quarter Refund Adjustment (“RA”), and it had no RAs from previous quarters.

¹ Case No. 2003-00141, Application of Mike Little Gas Company, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated October 22, 2003.

4. Mike Little's notice sets out a current quarter Actual Adjustment ("AA") of (\$.010) per Mcf. Mike Little used an incorrect EGC in its calculation and also used an incorrect previous quarter AA. Correcting for these errors produces a current quarter AA of \$.0433 per Mcf and a total AA of \$2.6758 per Mcf, which is an increase of \$.0873 per Mcf from the previous total AA.

5. Mike Little's Gas Cost Adjustment Rate is \$13.0348 per Mcf, which is \$.5177 per Mcf less than the previous rate of \$13.5525.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Mike Little on and after February 1, 2008.

IT IS THEREFORE ORDERED that:

1. Mike Little's proposed rates are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after February 1, 2008.
3. Within 20 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of January, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00005 DATED JANUARY 31, 2008

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 the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$5.50	\$13.0348	\$18.5348
Over 1 Mcf	\$4.3271	\$13.0348	\$17.3619