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September 25, 2008

Bud Rife
Manager
Johnson County Gas Company, Inc.
P. O. Box 339
Harold, KY 41635

CERTIFICATE OF SERVICE

RE: Case No. 2008-00360
Johnson County Gas Company, Inc.

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on September 25, 2008.

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF JOHNSON)
COUNTY GAS COMPANY, INC.) CASE NO. 2008-00360

ORDER

On September 1, 1999, in Case No. 1999-00155,¹ the Commission approved rates for Johnson County Gas Company, Inc. ("Johnson County") and provided for their further adjustment in accordance with Johnson County's Gas Cost Adjustment ("GCA") clause.

On August 29, 2008, Johnson County filed its proposed GCA to be effective October 1, 2008. On September 12, 2008, Johnson County updated its Expected Gas Cost ("EGC") in order to reflect a price change from one of its suppliers, Bradco Oil Company.

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

1. Johnson County's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Johnson County proposes an EGC of \$10.4870, which is \$.5897 per Mcf more than the previously approved EGC of \$9.8973.

¹ Case No. 1999-00155, Application of Johnson County Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated September 1, 1999.

3. Johnson County's notice sets out no Refund Adjustment.

4. Johnson County's notice sets out a current quarter Actual Adjustment ("AA") of (\$.1826) per Mcf. Johnson County's total AA is (\$3.6118) per Mcf, which is \$.1826 per Mcf less than the previous total AA.

5. Johnson County's notice sets out no current quarter Balancing Adjustment ("BA"). Johnson County's notice sets out a total BA of (\$.3124) per Mcf. Johnson County carried forward an incorrect prior quarter BA in its calculation. Correcting for this produces a total BA of (\$.3126) per Mcf, which is no change from the previous total BA.

6. Johnson County's Gas Cost Recovery Rate is \$6.5626 per Mcf, which is \$.0623 per Mcf more than the previous rate of \$6.1555.

7. Johnson County's adjustment in rates is fair, just, and reasonable, and should be approved for billing for service rendered by Johnson County on and after October 1, 2008.

IT IS THEREFORE ORDERED that:

1. Johnson County's proposed rates are denied.

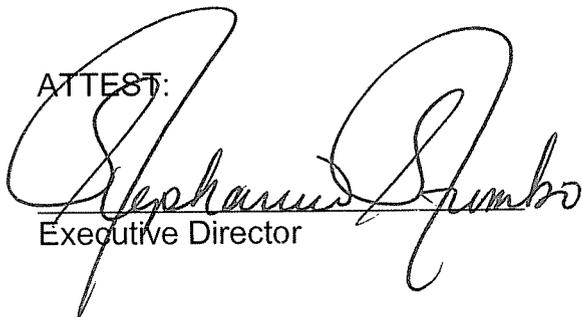
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 1, 2008.

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

Done at Frankfort, Kentucky, this 25th day of September, 2008.

By the Commission

ATTEST:



Stephanus Dumbo
Executive Director

Case No. 2008-00360

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00360 DATED SEPTEMBER 25, 2008

The following rates and charges are prescribed for the customers in the area served by Johnson County 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:

Residential

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
Minimum Bill 0-1 Mcf	\$6.9542	\$6.5626	\$13.5168
All additional Mcf	\$5.9542	\$6.5626	\$12.5168

Commercial

<u>Monthly</u>			
All Mcf	\$6.3042	\$6.5626	\$12.8668