

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
JOHNSON COUNTY GAS COMPANY) 2011-00004

O R D E R

On January 3, 2011, Johnson County Gas Company ("Johnson County") filed an application to adjust its Gas Cost Adjustment ("GCA") rate. Johnson County requested that the Commission waive the 30-day notification period and allow the new rate to become effective on January 1, 2011. In the Commission's Order for Case No. 2010-00010, Johnson County was ordered to provide an identification of its suppliers with this application. Schedule II of Johnson County's application identifies Bradco and Equitable Energy as suppliers, but the bulk of its gas supply is priced at the average of the NYMEX settlement prices for February, March, and April 2010, and no supplier is identified.

The Commission finds that Johnson County's requested waiver of the 30-day notification period should be denied. We also find that the investigation of Johnson County's gas supply and cost cannot be completed prior to 30 days from the filing date. Based on the January 3, 2011 filing date, the earliest possible effective date would be February 2, 2011. Therefore, the Commission will suspend the effective date of the proposed rates for five months from February 2, 2011.

IT IS THEREFORE ORDERED that:

1. Johnson County's proposed rates are suspended for five months from February 2, 2011 up to and including July 1, 2011.

2. a. The information requested in the Appendix attached hereto and incorporated herein is due on or before January 26, 2011. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record and ten copies to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

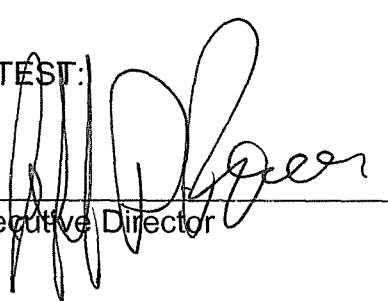
d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

3. Nothing contained herein shall prevent the Commission from issuing an Order prior to the end of the suspension period.

By the Commission

ENTERED
JAN 13 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00004 DATED JAN 13 2011

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO JOHNSON COUNTY GAS COMPANY

1. Provide copies of all supplier invoices for each month of 2009 and 2010.
2. Provide proof of payment for each supplier invoice for each month of 2009 and 2010.
3. Identify the source of supply for the 10,720 Mcf shown on Schedule II of the application.
4. Explain why Constellation Energy is no longer listed as a supplier.
5. The October 19, 2010 invoice from Bradco Oil Company shows an arrearage from past invoices of \$31,165.50. Explain how this arrearage occurred and when Johnson County plans to pay this amount.
6. Provide Mcf sales and Mcf purchases, by supplier, for each month of 2009 and 2010.
7. Johnson County's 2009 Annual Report shows "TECO Pool" as one of its three suppliers, with the associated gas cost of \$64,371. Was this amount paid? If yes, to whom was this amount was paid?

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