

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MIKE) CASE NO. 9535-U
LITTLE GAS COMPANY, INC.)

O R D E R

On September 17, 1986, the Commission issued its Order in Case No. 9535 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 18, 1989, Mike Little Gas Company, Inc. ("Mike Little") notified the Commission that its wholesale cost of gas was increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective November 1, 1989. Mike Little submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. On November 15, 1989, Mike Little filed revisions to three of its exhibits. On November 27, 1989, the Commission received a letter from Mike Little requesting withdrawal of the revisions.

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

(1) Mike Little's notice of October 18, 1989 set out certain revisions in rates which Mike Little proposed to place into

effect, said rates being designed to pass on the wholesale increase in price from its supplier.

(2) In computing its purchased gas cost, Mike Little transposed Mcf and Dth purchase volumes for the months July, August, and September 1988. Correcting this error results in a wholesale increase in price from its supplier in the amount of \$35,225 or 66.97 cents per Mcf; Mike Little had proposed an increase of 61.41 cents per Mcf.

(2) Kentucky West filed an application for revised rates to become effective November 1, 1989 with the Federal Energy Regulatory Commission. Kentucky West's rates are subject to refund; therefore, Mike Little's rates should be subject to refund.

(3) Mike Little requested an effective date of November 1, 1989 and a waiver of the 30-day filing requirement pursuant to KRS 278.180. However, Mike Little's subsequent revision of its application and request to withdraw the revision tolled the notice period beyond 30 days. Hence, Mike Little's increase in rates should be effective with gas supplied on and after the date of this Order, subject to refund.

(4) Mike Little's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9535 dated September 17, 1986 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after the date of this Order, subject to refund.

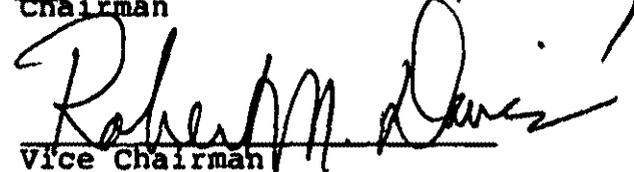
IT IS THEREFORE ORDERED that:

- (1) The rates proposed by Mike Little are hereby denied.
- (2) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after the date of this Order, subject to refund.
- (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 herein.

Done at Frankfort, Kentucky, this 11th day of December, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9535-U DATED December 11, 1989

The following rates and charges are prescribed for the customers 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: Monthly

First 1 Mcf - Minimum Bill	\$6.2232 Per Mcf
All Over 1 Mcf	\$6.0061 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Mike Little Gas Company, Inc. shall be:

Commodity

Kentucky West Virginia Gas Company	\$2.8962 per Dth*
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*Including \$0.0169 Gas Research Institute Funding Charge