

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE LITTLE)	CASE NO. 9535-X
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 February 20, 1990, Mike Little Gas Company, Inc. ("Mike Little") notified the Commission that its wholesale cost of gas was decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective February 1, 1990. Mike Little submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

1. Mike Little's notice of February 20, 1990 set out certain revisions in rates which Mike Little proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier. Mike Little incorrectly calculated the Gas Research Institute component of the purchased

gas cost. The wholesale decrease in price to Mike Little from Kentucky West is \$36,483 or 72.82 cents per Mcf.

2. Kentucky West filed an application for revised rates to become effective February 1, 1990 with the Federal Energy Regulatory Commission. Kentucky West's rates are subject to refund; hence, Mike Little's rates should be subject to refund.

3. Mike Little should file with this Commission the amount of any overcollections received from February 1, 1990 to the date the approved rates are implemented, along with a refund plan.

4. The corrected adjustment in Mike Little's 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 February 1, 1990, subject to refund.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Mike Little are hereby denied.

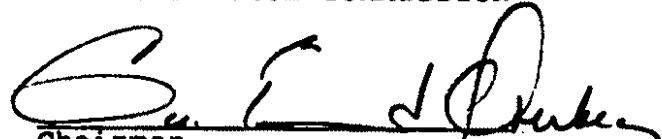
2. The rates in the Appendix, attached hereto and incorporated herein, are hereby authorized effective with gas supplied on and after February 1, 1990, subject to refund.

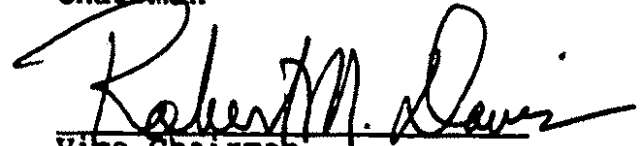
3. Within 30 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

4. Within 30 days of the date of this Order, Mike Little shall file the amount of any excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 12th day of March, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9535-X DATED 3/12/90

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	\$6.5860 Per Mcf
All Over 1 Mcf	\$6.3689 Per Mcf

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

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$3.2483 per Dth

*Includes \$0.0126 per Dth - Gas Research Institute Funding Charge and \$.0017 Annual Charge Adjustment.