

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT	)	
FILING OF JOHNSON COUNTY GAS	)	CASE NO. 10415-F
COMPANY, INC.	)	

O R D E R

On April 24, 1991, the Commission issued its Order in Case No. 91-004 approving a quarterly gas cost adjustment clause ("GCA") for Johnson County Gas Company, Inc. ("Johnson County"). The operation of this clause allows for an adjustment in rates on a quarterly basis as specified herein.

On June 3, 1991, Johnson County filed its quarterly GCA, which is to become effective July 1, 1991 and is to remain in effect until October 1, 1991.

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

1. Johnson County's notice of June 3, 1991 set out certain revisions in rates which Johnson County proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers. In calculating its wholesale decrease, Johnson County used April 1, 1991 rates for Kentucky West Virginia Gas Company as opposed to May 1, 1991 rates. Correcting for this error results in a decrease in wholesale gas cost in the amount of 2.57 cents per

Mcf. Johnson County's resulting expected gas cost ("EGC") for the quarter beginning July 1, 1991 is \$2.5170 per Mcf.

2. Johnson County's notice set out no refund adjustment.

3. Johnson County's notice included a current quarter actual adjustment. This amount should not have been included. As the Commission clearly stated in its April 24, 1991 Order,<sup>1</sup> the actual adjustment may not be used to reconcile over- or under-recovery of gas cost experienced before Johnson County's GCA clause was approved. Any over-recoveries experienced prior to that approval should be returned through a separate refund plan pursuant to its previously effective purchased gas adjustment clause.

4. Johnson County's notice set out no balance adjustment. This adjustment will be unavailable to Johnson County until an approved actual adjustment has been in effect for 4 quarters.

5. The combined effect of the above adjustments, as corrected, is Johnson County's gas cost recovery rate ("GCR") in the amount of \$2.5170 per Mcf, which is a decrease of 2.57 cents per Mcf from its last approved rates.

6. Johnson County's adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 91-004 dated April 24,

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<sup>1</sup> Case No. 91-004, In the Matter of the Tariff Filing of Johnson County Gas Company, Inc. to Revise the Gas Cost Adjustment Clause, Order dated April 24, 1991, pages 6-7.

1991, is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after July 1, 1991.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Johnson County be and they hereby are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with service rendered on and after July 1, 1991.

3. Within 30 days of the date of this Order, Johnson County shall file with this Commission is revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of July, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

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Commissioner

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 10415-F DATED 7/01/91

The following rates and charges are prescribed for the customers 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:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Surcharge</u>	<u>Total</u>
Customer Charge				\$3.00
All Mcf	\$2.9871	\$2.5170	\$2.5159	\$8.0200

A surcharge of \$.4155 will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.