

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 90-077-B
MIKE LITTLE GAS COMPANY, INC.)	

O R D E R

On January 24, 1991, Mike Little Gas Company, Inc. ("Mike Little") filed an application pursuant to its purchased gas adjustment clause to pass through to its customers a surcharge from its supplier, Kentucky West Virginia Gas Company ("Kentucky West"). The surcharge was approved by the Federal Energy Regulatory Commission ("FERC") as part of a settlement in Docket Nos. TQ89-1-46-000, et. al. between Kentucky West and this Commission. Mike Little received notice on January 14, 1991 that the surcharge in the amount of 61.4 cents per Dth was approved to be effective January 1, 1991.

After reviewing the record and all information pertaining to this case, the Commission finds that:

1. Mike Little's notice of January 24, 1991 proposed to implement a surcharge in the amount of 69.6 cents per Mcf to pass along to its customers the billings from Kentucky West for 1991. The surcharge in this amount would remain in effect until recalculated by Kentucky West, with billings from Kentucky West pursuant to the settlement to be received and paid by Mike Little for a period of no less than 10 years.

2. Mike Little requested an effective date of January 1, 1991 to implement its surcharge. KRS 278.180 provides that a utility must give 30 days notice to the Commission prior to the effective date of any increase in rates. Inasmuch as the September 12, 1990 settlement was negotiated by the Commission in the interest of the Kentucky utilities served by Kentucky West, the Commission had actual notice of the terms and conditions contained in the agreement on September 12, 1990. The effective date of Mike Little's surcharge should, therefore, be the effective date from Kentucky West, January 1, 1991.

3. Mike Little proposed to include the surcharge from Kentucky West as a part of its regular tariffed rates. However, the Commission prefers that the surcharge be set out separately in its tariffs, apart from its other approved rates.

4. Mike Little's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 90-077 dated December 7, 1990 is fair, just, and reasonable, in the public interest, and should be effective with bills rendered on and after the date of this Order.


IT IS HEREBY ORDERED that:

1. Mike Little's proposed surcharge is fair, just, and reasonable, and is approved effective with bills rendered on and after the date of this Order.

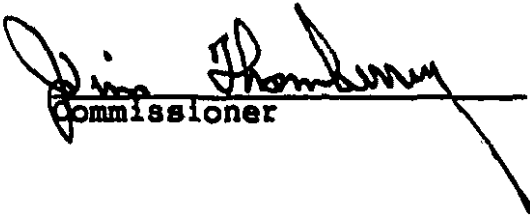
2. Within 30 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the surcharge authorized herein, separate and apart from its other approved rates.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director