

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-M
COMPANY, INC.)

O R D E R

On April 24, 1991, the Commission issued its Order in Case No. 91-004 approving adjustments to the rates of Johnson County Gas Company, Inc. ("Johnson County") on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On March 8, 1993, Johnson County filed its quarterly GCA, which is to become effective April 1, 1993 and is to remain in effect until July 1, 1993.

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

1. Johnson County's notice of March 8, 1993 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 expected wholesale decrease in gas costs from its suppliers. Johnson County miscalculated its expected gas cost from Kentucky West Virginia Gas Company by multiplying volumes stated in Dekatherms by a rate converted to a Mcf basis. Johnson County also failed to adjust its calculation to permit only 5 percent line loss recovery. The corrected wholesale decrease in rates is 61.01 cents

per Mcf. Johnson County's corrected expected gas cost for the quarter beginning April 1, 1993 is \$3.4910 per Mcf.

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

3. Johnson County proposed an actual adjustment ("AA") in the amount of 9.7 cents per Mcf to compensate for under-recovery of gas cost through the operation of its gas cost recovery procedure during the months of October, November, and December 1992. Johnson County's total AA of (7.5) cents per Mcf is designed to correct the current under-recovery as well as under- and over-recoveries from previous quarters.

4. Johnson County's notice set out no balance adjustment, but should have proposed one to reconcile remaining under- or over-recoveries for the 12-month period ended December 31, 1992. Using data contained in Johnson County's filings, the balance adjustment was calculated to be in the amount of .42 cents per Mcf.

5. The combined effect of the above adjustments is Johnson County's corrected gas cost recovery rate ("GCR") in the amount of \$3.4202 per Mcf, which is a decrease of 71.09 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, 1991, is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 1993.

IT IS THEREFORE ORDERED that:

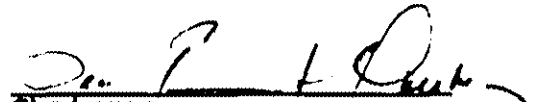
1. Johnson County's proposed rates be and they hereby are denied.

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 April 1, 1993.


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

Done at Frankfort, Kentucky, this 1st day of April, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10415-M DATED April 1, 1993.

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	\$3.4202	\$2.5159	\$8.9232

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