

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COW CREEK GAS, INC.     )  
FOR AN ADJUSTMENT OF RATES PURSUANT     ) CASE NO.  
TO THE ALTERNATIVE RATE FILING         ) 97-263  
PROCEDURE FOR SMALL UTILITIES         )

ORDER

On June 27, 1997, Cow Creek Gas, Inc. ("Cow Creek") filed its application for Commission approval of a proposed increase in its rates for gas service. The proposed rates for gas service would generate additional annual revenues of \$4,811.50, an increase of approximately 19 percent above test-year revenues.

In August 1997, Commission Staff conducted a field review of Cow Creek's test-period financial records. Based upon this review, Commission Staff issued its report on November 14, 1997, recommending that Cow Creek be allowed to increase its annual revenues by \$4,214.

By Order dated November 14, 1997, Cow Creek was advised to file comments on the Staff Report or request a hearing no later than November 24, 1997 or the case would stand submitted to the Commission for decision. Cow Creek accepted Staff's recommendation.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the

findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates proposed by Cow Creek will produce revenues in excess of those found reasonable herein and should be denied.

3. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Cow Creek and will produce sufficient revenues to meet its operating expenses and provide for future equity growth.

IT IS THEREFORE ORDERED that:

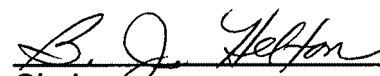
1. Cow Creek's proposed rates are denied.

2. The rates contained in Appendix A are approved for gas service rendered by Cow Creek on and after the date of this Order.

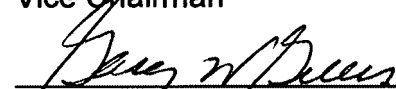
3. Within 30 days of the date of this Order, Cow Creek shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 18th day of December, 1997.

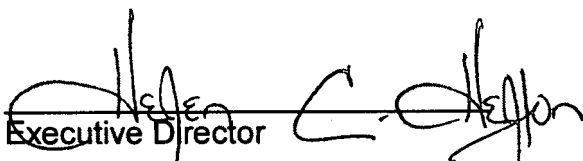
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX A

### AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-263 DATED DECEMBER 18, 1997

The following rates and charges are prescribed for the customers in the area served by Cow Creek Gas, 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.

Minimum Bill	\$7.26
All Mcf	\$7.26