

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 93-400-T
LITTLE GAS COMPANY, INC.)	

ORDER

On December 17, 1993, in Case No. 93-400, the Commission approved the merger of Elzie Neeley Gas Company, Inc. ("Elzie Neeley") and Phelps Gas Company, Inc. ("Phelps") into Mike Little Gas Company, Inc. ("Mike Little") and provided for the adjustment of rates of the merged companies on a quarterly basis in accordance with the provisions of Mike Little's gas cost adjustment ("GCA") clause.

On September 25, 1998, Mike Little filed its GCA to be effective November 1, 1998 until January 31, 1999.

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

1. Mike Little's notice proposes revised rates designed to pass on its expected wholesale increase in gas cost to its customers. Mike Little's expected gas cost ("EGC") for the quarter is \$4.7630 per Mcf, an increase of 33.29 cents per Mcf over the previous EGC.

2. Mike Little's notice sets out no current quarter refund adjustment ("RA"), and it had no RAs remaining from previous quarters.

3. Mike Little's notice sets out a current quarter actual adjustment ("AA") of (.0188) cents per Mcf to return over-recovered gas cost from May, June, and July 1998. The total AA of 2.3 cents per Mcf reflects the net under-recovery of the combined system for the current and previous three quarters, and represents an increase of 5.65 cents per Mcf over the previous AA.

4. These adjustments produce a gas cost recovery rate ("GCR") of \$4.7860 per Mcf, 38.94 cents per Mcf more than the prior rate.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for gas supplied on and after November 1, 1998.

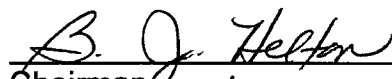
IT IS THEREFORE ORDERED that:

1. The rates in the attached Appendix are fair, just, and reasonable and are effective for gas supplied on and after November 1, 1998.

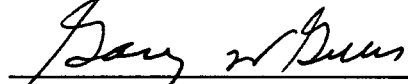
2. Within 30 days of the date of this Order, Mike Little shall file with the Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 26th day of October, 1998.

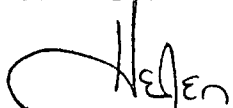
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-400-T DATED OCTOBER 26, 1998

The following rates and charges are prescribed for the customers in the area 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 date of this Order.

Monthly:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$2.8211	\$4.7860	\$7.6071
Over 1 Mcf	2.6040	4.7860	7.3900

RATES FOR CUSTOMERS FORMERLY SERVED BY ELZIE NEELEY GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$3.4984	\$4.7860	\$8.2844
Over 1 Mcf	2.4658	4.7860	7.2518

RATES FOR CUSTOMERS FORMERLY SERVED BY PHELPS GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$4.3971	\$4.7860	\$9.1831
Over 1 Mcf	2.7670	4.7860	7.5530