COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS ADJUSTMENT FILING OF PUBLIC GAS COMPANY

CASE NO. 9565-D

<u>ORDER</u>

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On October 10, 1987, in Case No. 9565, the Commission approved certain adjusted rates for Public Gas Company ("Public") and provided under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received. The Gas Cost Adjustment ("GCA") clause was subsequently removed from Public's tariff. Public's last GCA filing under the original clause was effective April 15, 1987. On September 25, 2000, the Commission approved Public's current GCA clause.

On March 2, 2001, Public filed an interim GCA to be effective March 1, 2001. Public requested a waiver of the 30-day notice requirement.

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

1. Public's notice proposes revised rates designed to pass on expected decreased wholesale gas costs to its customers. Public's proposed expected gas supply cost is \$6.85 per Mcf, a decrease of \$1.81 per Mcf from the prior EGC of \$8.66.

2. Public has no current supplier refunds to return to its customers.

3. Public's notice set out no current quarter actual adjustment and no total actual adjustment.

4. These adjustments produce a gas cost adjustment of \$6.85 per Mcf, \$1.81 per Mcf less than the prior gas cost adjustment of \$8.66 per Mcf.

5. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after the date of this Order. Public requested a waiver of the 30-day notice requirement. KRS 278.180(1) allows the Commission to approve a decrease in rates without 30 days' notice; however, Public did not give the Commission sufficient time to process the application since Public filed its application after the proposed effective date.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable and is effective for gas supplied on and after the date of this Order.

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

Done at Frankfort, Kentucky, this 30th day of March, 2001.

By the Commission

ATTEST:

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9565-D DATED MARCH 30, 2001

The following rates and charges are prescribed for the customers served by Public Gas Company. 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:

	Base Rate	Gas Cost	Rate per Mcf
Minimum Bill - First Mcf	\$3.2705	\$6.85	\$10.1205
Over 1 Mcf	\$2.1505	\$6.85	\$ 9.0005