

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF PUBLIC)	CASE NO. 9565-E
GAS COMPANY)	

ORDER

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 April 4, 2001, Public filed its GCA to be effective May 1, 2001. Public requested a waiver of the 30-day notice requirement, stating that the figures for July were not available until April 2, 2001. Public supplemented its application on April 23, 2001 with information on its Actual Adjustment (“AA”) calculation for the period November 2000 through January 2001.

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 \$6.64 per Mcf, a decrease of 21 cents per Mcf over the prior EGC of \$6.85.

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

3. Public's notice set out a current quarter AA of 39.43 cents per Mcf to collect under recovered gas costs from November and December 2000 and January 2001. Public had no AA in effect before this application.

4. These adjustments produce a gas cost adjustment of \$7.0343 per Mcf, 18.43 cents per Mcf more than the prior gas cost adjustment of \$6.85 per Mcf.

5. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, is in the public interest, and should be effective with gas supplied on and after May 1, 2001. Public requested a waiver of the 30-day notice requirement in order to incorporate figures for July 2000 that were not available until April 2, 2001. The grounds cited by Public constitute good cause to shorten the notice period pursuant to KRS 278.180(1).

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is fair, just, and reasonable and is effective for gas supplied on and after May 1, 2001.

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 April, 2001.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9565-E DATED APRIL 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:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.2705	\$7.0343	\$10.3048
Over 1 Mcf	\$2.1505	\$7.0343	\$ 9.1848