

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST	)	
ADJUSTMENT FILING OF	)	CASE NO. 90-290-R
BURKESVILLE GAS COMPANY, INC.	)	

ORDER

On October 28, 1992, in Case No. 90-290, the Commission required Burkesville Gas Company, Inc. ("Burkesville") to file a quarterly gas cost adjustment ("GCA") clause to ensure that its rates reflect its most current cost of gas.

On January 3, 2001, Burkesville filed a revised GCA to be effective February 1, 2001. Burkesville also filed a GCA to be effective November 1, 2000, stating that it had attempted to submit the GCA timely but that the Commission had not received it. The Commission has combined the two filings and has used the information provided in the filing to be effective November 1, 2000 for the purpose of reconciling the actual gas cost for the period May through October 2000.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Burkesville's notice proposed revised rates designed to pass on expected increased wholesale gas cost to its customers. Burkesville's proposed expected gas cost ("EGC") is \$5.8316 per Mcf. Burkesville incorrectly calculated its EGC on Schedule II, adjusting for the maximum allowable purchases rather than using the actual purchase

volume of 48,172 Mcf. Burkesville will need to adjust the purchase volume in this manner only when its line loss exceeds 5 percent. Correcting for this error produces an EGC of \$5.6792, an increase of 62.66 cents per Mcf over the prior EGC of \$5.0526.

2. Burkesville had no supplier refunds. Its notice set out no refund adjustment.

3. Burkesville's notice set out a current actual adjustment ("AA") of 2.16 cents per Mcf to collect under-recovered gas costs for the months of August, September and October 2000. Burkesville also set out a current AA of 2.98 cents per Mcf to collect under-recovered gas costs for the months of May, June and July 2000. Burkesville used the incorrect EGCs to calculate the AA for the applicable months. Correcting for this produces a combined current quarter AA of (1.05) cent per Mcf to return over-recovered gas cost for the period May through October 2000. Burkesville proposed a total AA of 2.16 cents per Mcf. Burkesville did not carry forward the AA from the last filing, which will expire July 1, 2001. Correcting for this produces a total AA of 21.63 cents per Mcf. The total AA reflects an increase of 42 cents per Mcf from the previous total AA.

4. These adjustments produce a gas cost recovery rate of \$5.8955 per Mcf, \$1.0466 per Mcf more than the prior rate of \$4.8489.

5. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective for service rendered on and after February 2, 2001. Burkesville did not give sufficient notice for the rates to be effective February 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Burkesville are hereby denied.
2. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for service rendered on and after February 2, 2001.
3. Within 30 days of the date of this Order, Burkesville shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of January, 2001.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-290-R DATED JANUARY 29, 2001

The following rates and charges are prescribed for the customers served by Burkesville 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.

#### RATES:

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Residential	\$3.524	\$5.8955	\$9.4195

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING  
for Burkesville Gas Company, Inc.

Case No.: 90-290-R  
Filing Date: June 5, 2000  
Proposed Effective Date: February 1, 2001  
Approved Effective Date: February 2, 2001

Wholesale Gas Supplier: Duke Energy  
Pipelines: Apache Transmission, Ft. Knox Transmission

Wholesale Rate: Increased 62.66 cents per Mcf  
Retail Rate: Increased \$1.0466 per Mcf

Components of Gas Cost Adjustment:

EGC	\$5.6792
RA	.0000
AA	<u>.2163</u>
GCR	\$5.8955

Prepared by: Dawn McGee

Date: January 22, 2001