

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF KENTUCKY-)
OHIO GAS COMPANY) CASE NO. 91-138-S

ORDER

On December 18, 1991, the Commission issued its Order in Case No. 91-138 approving certain adjustments in rates for Kentucky-Ohio Gas Company ("KOG") and providing 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.

On March 1, 2001, KOG filed its gas cost adjustment ("GCA") to be effective April 1, 2001.

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

1. KOG's notice of March 1, 2001 proposed revised rates to pass on its expected decrease in gas costs to its customers. KOG's proposed expected gas cost ("EGC") is \$5.7713 per Mcf, \$2.9852 less than the previously approved EGC of \$8.7565.

2. KOG's notice set out no supplier refund adjustment.

3. KOG's notice set out a current quarter ("AA") of 79.05 cents per Mcf. KOG used the incorrect EGC in calculating the cost difference for November and December 2000. KOG also used an incorrect sales figure of 154,493 Mcf in calculating its AA. The actual sales volumes reported on Schedule IV in previous GCA filings

shows that the sales volume for the twelve month period ended December 31, 2000 is 161,456 Mcf rather than 154,493. Correcting for these factors produces a current quarter AA of \$1.1028. KOG's notice proposed a total AA of \$1.6779. Adjusting for the current quarter AA produces a total AA of \$1.9902, an increase of \$1.0547 per Mcf over the previous total AA.

4. KOG's corrected gas cost recovery rate is \$7.7615 per Mcf, \$1.9305 less than the previously approved rate of \$9.6920.

5. The rates in the Appendix are fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates proposed by KOG are denied.
2. The rates in the Appendix are fair, just, and reasonable and are approved effective for final meter readings on and after April 1, 2001.
3. Within 30 days of the date of this Order, KOG shall file with the 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:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-138-S DATED MARCFH 30, 2001

The following rates and charges are prescribed for the customers in the area served by Kentucky-Ohio 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>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$7.7615	\$12.0015

Minimum Bill

The minimum bill shall be \$12.00