

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF AMERICAN)	CASE NO. 91-138-V
NATURAL GAS CORPORATION)	

ORDER

On December 18, 1991, in Case No. 91-138, the Commission approved rates for American Natural Gas Corporation ("American"), formerly Kentucky-Ohio Gas Company ("KOG"), and provided for their further adjustment in accordance with American's gas cost adjustment ("GCA").

On August 29, 2001, American filed its GCA to be effective October 1, 2001.

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

1. American's notice includes revised rates designed to pass on to its customers expected increases in wholesale gas costs. American proposed an expected gas cost ("EGC") of \$5.0286 per Mcf. American incorrectly calculated its total EGC. Correcting for this error produces an EGC of \$5.0708 per Mcf, which is 18.6 cents per Mcf more than the previous EGC of \$4.8848.

2. American's notice sets out no current quarter supplier refund adjustment ("RA"). American's notice sets out a total RA of .17 cent per Mcf, which is no change from its previous rate.

3. American's notice sets out a current quarter Actual Adjustment ("AA") of (2.63) cents per Mcf. American incorrectly used the EGC it proposed for its filing

effective July 1, 2001 rather than its EGC effective for the months of April, May and June 2001 in its calculation. Correcting for this error produces a current quarter AA of (12.83) cents per Mcf. American's total AA is 23.07 cents per Mcf, which is 26.92 less than the previous total AA.

4. American's GCA is \$5.2998 per Mcf, which is 8.32 cents per Mcf less than the previous GCA of \$5.3830.

5. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered by American on and after October 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates proposed by American are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after October 1, 2001.
3. Within 20 days of the date of this Order, American shall file with the Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 25th day of September, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-138-V DATED SEPTEMBER 25, 2001

The following rates and charges are prescribed for the customers in the area served by American Natural Gas Corporation. 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	\$5.2998	\$9.5398

Minimum Bill

The minimum bill shall be \$9.54