

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF PEOPLE'S)	CASE NO. 2001-027-A
GAS, INC.)	

ORDER

On April 30, 2001, in Case No. 2001-027, the Commission approved the transfer of the Phelps portion of the Mike Little Gas Co., Inc. ("Mike Little") system to People's Gas, Inc. ("People's") and provided for the adjustment of rates on a quarterly basis in accordance with Mike Little's gas cost adjustment ("GCA") clause which People's adopted and ratified as ordered in paragraph 3 of the Commission's Order approving the transfer.¹

On June 27, 2001, People's filed its GCA to be effective August 1, 2001.

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

1. People's notice includes revised rates designed to pass on to its customers its expected wholesale gas costs. People's expected gas cost ("EGC") is \$8.6192 per Mcf. People's is a new distribution company and therefore has had no tariff on file with the Commission prior to this filing.

2. People's notice sets out no current quarter refund adjustment.

3. People's notice sets out a current quarter actual adjustment ("AA") of 27.96 cents per Mcf to collect under-recovered gas cost from February, March and April

¹ Adoption notice of People's Gas, Inc. received July 5, 2001.

2001. Mike Little actually purchased and sold the gas for these months, therefore, People's should not be collecting the under-recovery.

4. People's GCA is \$8.6192 per Mcf.

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 People's on and after August 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after August 1, 2001.

2. Within 20 days of the date of this Order, People's shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of August, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2001-027-A DATED AUGUST 1, 2001

The following rates and charges are prescribed for the customers in the area served by People's Gas, 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.

Monthly:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$4.3971	\$8.6192	\$13.0163
Over 1 Mcf	2.7670	8.6192	11.3862