

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF AMERICAN)	CASE NO. 2002-00059
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) clause.

On February 26, 2002, American filed its proposed GCA to be effective April 1, 2002.

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 its expected decrease in wholesale gas costs. American proposed an expected gas cost (EGC) of \$4.72 per Mcf, which is 25.13 cents per Mcf less than the previous EGC of \$4.9713.

2. American s notice sets out no current quarter supplier refund adjustment (RA). American s notice sets out a total RA of .19 cent per Mcf. The total RA, which includes only one prior quarter RA, should be .17 cent per Mcf, which results in no change from American s previous total RA.

3. American s notice sets out a current quarter Actual Adjustment (AA) of (31.02) cents per Mcf. American s notice sets out a total AA of (\$1.1895) per Mcf. American carried forward an incorrect AA from the third previous quarter. Correcting for this produces a total AA of (\$1.5651), which is \$1.4130 less than the previous total AA.

4. American s revised GCA is \$3.1532 per Mcf, which is \$1.6643 per Mcf less than the previous GCA of \$4.8175.

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 April 1, 2002.

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 April 1, 2002.
3. Within 20 days of the date of this Order, American shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 26th day of March, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00059 DATED March 26, 2002

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	\$3.1532	\$7.3932

Minimum Bill

The minimum bill shall be \$7.39