

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF PUBLIC)	CASE NO. 2004-00120
GAS COMPANY)	

ORDER

On October 10, 1987, in Case No. 9565, the Commission approved rates for Public Gas Company ("Public") and provided for their further adjustment in accordance with Public's gas cost adjustment ("GCA") clause.

On March 31, 2004, Public filed its proposed GCA to be effective May 1, 2004.

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

1. Public's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Public's proposed expected gas cost ("EGC") is \$7.3262 per Mcf, which is a decrease of 54.49 cents per Mcf from the previous EGC of \$7.8711.
3. Public's notice sets out no current quarter refund adjustment.
4. Public's notice sets out a current quarter actual adjustment ("AA") of 31.66 cents per Mcf. Public's notice sets out a total AA of 41.81 cents per Mcf. Public carried forward an incorrect previous quarter AA. Correcting for this produces a total AA of 42.95 cents per Mcf, which is a decrease of 33.1 cents per Mcf from the previous total AA.

5. Public's GCA is \$7.7557 per Mcf, which is 87.59 cents per Mcf less than the previous GCA of \$8.6316.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for gas supplied by Public on and after May 1, 2004.

IT IS THEREFORE ORDERED that:

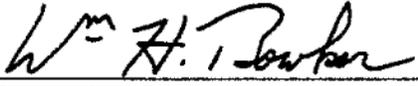
1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after May 1, 2004.

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

Done at Frankfort, Kentucky, this 29th day of April, 2004.

By the Commission

ATTEST:

Depnty

Executive Director

Case No. 2004-00120

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00120 DATED APRIL 29, 2004

The following rates and charges are prescribed for the customers served by Public 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>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.2705	\$7.7557	\$11.0262
Over 1 Mcf	\$2.1505	\$7.7557	\$ 9.9062