

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF B&H GAS         )  
COMPANY, INC.                                 )        CASE NO. 2004-00449

O R D E R

On January 13, 1992, in Case No. 1991-00127,<sup>1</sup> the Commission approved certain adjusted rates for B&H Gas Company, Inc. (“B&H”) and provided for their further adjustment in accordance with its gas cost adjustment (“GCA”) clause.

On November 17, 2004, B&H filed its GCA to be effective December 1, 2004. B&H requests a waiver of the 30-day notice period, stating that it was not able to file the application concurrent with its supplier’s October 1, 2004 rate increase and would like to minimize its loss of gas cost coverage. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

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

1. B&H’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

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<sup>1</sup> Case No. 1991-00127, The Application of B&H Gas Company, Inc. for Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated January 13, 1992.

2. B&H's proposed expected gas cost ("EGC") is \$7.00 per Mcf, which is \$1.00 per Mcf more than the prior EGC of \$6.00.

3. B&H's gas cost recovery rate ("GCR") is \$7.00 per Mcf, which is \$1.00 per Mcf more than the previous rate of \$6.00.

4. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by B&H on and after December 7, 2004. Although B&H's request for a waiver of the 30-day notice period is granted, the revised rate is an increase. In the case of an increase, KRS 278.180 permits the Commission to shorten the required notice period to 20 days, resulting in an effective date of December 7, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for billing for service rendered on and after December 7, 2004.

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

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of December, 2004.

By the Commission

ATTEST:



Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00449 DATED DECEMBER 6, 2004

The following rates and charges are prescribed for the customers served by B&H Gas Company, 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 effective date of this Order.

#### RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 2 Mcf (Min Bill)	\$4.7938	\$7.00	\$18.7938
Next 8 Mcf	1.9788	7.00	8.9788
Next 20 Mcf	1.5611	7.00	8.5611
Next 30 Mcf	1.3103	7.00	8.3103

A surcharge in the amount of 3 cents per Mcf shall be added to the above rates until the obligation owed Kentucky-West Virginia Gas Company has been discharged or is recalculated.