COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS ADJUSTMENT FILING OF PUBLIC GAS COMPANY

CASE NO. 2006-00054

<u>ORDER</u>

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On October 10, 1986, in Case No. 9565,¹ 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 February 10, 2006, Public filed its proposed GCA to be effective March 1, 2006.

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 \$9.3519 per Mcf, which is a decrease of \$3.1412 per Mcf from the previous EGC of \$12.4931.

3. Public's notice sets out no current quarter refund adjustment.

4. Public's notice sets out no current quarter actual adjustment ("AA"). Public's notice sets out a total AA of 1.26 cent per Mcf, which is no change from the previous total AA.

¹ Case No. 9565, Notice of Public Gas Company, Inc. of a General Rate Adjustment, Effective May 12, 1986.

5. Public's GCA is \$9.3645 per Mcf, which is \$3.1412 per Mcf less than the previous GCA of \$12.5057.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Public on and after March 1, 2006.

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 March 1, 2006.

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 24th day of February, 2006.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00054 DATED February 24, 2006

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:

	Base Rate	Gas Cost	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.2705	\$9.3645	\$12.6350
Over 1 Mcf	\$2.1505	\$9.3645	\$11.5150