COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST)ADJUSTMENT FILING OF)BURKESVILLE GAS COMPANY, INC.)

On November 20, 2000, in Case No. 2000-00158,¹ the Commission approved rates for Burkesville Gas Company, Inc. ("Burkesville") and provided for their further adjustment on a quarterly basis in accordance with Burkesville's gas cost adjustment ("GCA") clause.

On March 2, 2006, Burkesville filed its proposed GCA to be effective March 1, 2006. Burkesville requests a waiver of the 30-day notice period in order to put its new reduced rate in effect for the billing for the month of March. 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 evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Burkesville's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Burkesville's proposed expected gas cost ("EGC") is \$12.7628 per Mcf, which is \$3.9417 per Mcf less than the prior EGC of \$16.7045.

¹ Case No. 2000-00158, The Application of Burkesville Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated November 20, 2000.

3. Burkesville's notice sets out no refund adjustment.

4. Burkesville's notice sets out a current actual adjustment ("AA") of (55.42) cents per Mcf. Burkesville's notice sets out a total AA of (85.08) cents per Mcf. Burkesville incorrectly included an expired AA in its calculation. Correcting for this produces a total AA of (77.16) cents per Mcf, which is a decrease of 47.5 cents per Mcf from the previous total AA.

5. Burkesville's GCA is \$11.9912 per Mcf, which is \$4.4167 per Mcf less than the previous rate of \$16.4079.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Burkesville 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, Burkesville shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of March, 2006.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00097 DATED March 20, 2006

The following rates and charges are prescribed for the customers served by Burkesville 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:

| | Base Rate | Gas Cost Recovery <u>Rate</u> | Total |
|-------------|-----------|-------------------------------------|-----------|
| Residential | \$4.25 | \$11.9912 | \$16.2412 |
| Industrial | \$3.90 | \$11.9912 | \$15.8912 |