

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF MIKE	)	CASE NO. 2007-00119
LITTLE GAS COMPANY, INC.	)	

ORDER

On October 22, 2003, in Case No. 2003-00141,<sup>1</sup> the Commission approved rates for Mike Little Gas Company, Inc. ("Mike Little"), and provided for their further adjustment in accordance with Mike Little's gas cost adjustment ("GCA") clause.

On March 22, 2007, Mike Little filed its proposed GCA to be effective May 1, 2007.

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

1. Mike Little's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Mike Little's notice sets out an expected gas cost ("EGC") of \$8.928 per Mcf. Mike Little used an out-of-date Columbia Gas of Kentucky, Inc. ("Columbia") Intrastate Utility Service ("IUS") rate in its calculation. Updating Columbia's IUS rate to \$8.4354

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<sup>1</sup> Case No. 2003-00141, Application of Mike Little Gas Company, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated October 22, 2003.

per Mcf, which was approved as of March 1, 2007,<sup>2</sup> produces an EGC of \$8.8251, which is an increase of \$1.9251 per Mcf from the previous EGC of \$6.90.

3. Mike Little's notice sets out no current quarter refund adjustment ("RA"), and it had no RAs from previous quarters.

4. Mike Little's notice sets out a current quarter actual adjustment ("AA") of \$1.150 per Mcf. Mike Little incorrectly calculated its monthly gas cost for December 2006 and carried forward an incorrect prior quarter AA for its total AA calculation. Correcting for this produces a current quarter AA of \$1.0822 per Mcf and a total AA of (67.14) cents per Mcf, which is an increase of \$1.1999 per Mcf from the previous total AA.

5. Mike Little's GCA is \$8.1537 per Mcf, which is \$3.1250 per Mcf more than the previous rate of \$5.0287.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Mike Little on and after May 1, 2007.

IT IS THEREFORE ORDERED that:

1. Mike Little's proposed rates are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after May 1, 2007.
3. Within 20 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

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<sup>2</sup> Case No. 2007-00050, Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., Order dated February 27, 2007.

Done at Frankfort, Kentucky, this 27<sup>th</sup> day of April, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00119 DATED April 27, 2007

The following rates and charges are prescribed for the customers in the area served by Mike Little 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.

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$5.50	\$8.1537	\$13.6537
Over 1 Mcf	4.3271	8.1537	\$12.4808