

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS )  
ADJUSTMENT FILING OF JOHNSON ) CASE NO. 2008-00558  
COUNTY GAS COMPANY )

ORDER

On September 1, 1999, in Case No. 1999-00155, the Commission approved rates for Johnson County Gas Company, Inc. ("Johnson County") and provided for their further adjustment in accordance with Johnson County's gas cost adjustment ("GCA") clause.<sup>1</sup>

On December 29, 2008, Johnson County filed its proposed GCA to be effective January 1, 2009. Pursuant to KRS 278.180(1), no change can be made in any rate by a utility except upon 30 days' notice to the Commission. Therefore, the earliest date on which Johnson County's proposed rates could lawfully become effective is January 28, 2009. Johnson County amended its application on January 15, 2009 and proposed a new effective date of January 28, 2009.

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

1. Johnson County'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. 1999-00155, Application of Johnson County Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated September 1, 1999.

2. Johnson County proposes an expected gas cost ("EGC") of \$10.3617 per Mcf. However, Johnson County's incorrectly calculated the EGC related to one of its gas suppliers. Correcting for this error produces an EGC of \$10.3635 per Mcf, which is \$.1235 per Mcf less than the previously approved EGC of \$10.4870.

3. Johnson County's notice sets out no refund adjustment.

4. Johnson County's notice sets out a current quarter actual adjustment ("AA") of (\$.0312) per Mcf. Johnson County used an incorrect EGC in its calculation for the month of October 2008. Correcting for this error produces a current quarter AA of (\$.0339) and a total AA of (\$.6204) per Mcf, which is \$2.9914 per Mcf more than the previous total AA of (\$3.6118).

5. Johnson County's notice sets out no current quarter balancing adjustment ("BA"). Johnson County's notice sets out a total BA of (\$.2744) per Mcf, which is .0382 per Mcf more than the previous BA of (\$.3126).

6. Johnson County's gas cost recovery rate is \$9.4687 per Mcf, which is \$2.9061 per Mcf more than the previous rate of \$6.5626.

7. Johnson County's adjustment in rates is fair, just, and reasonable, and should be approved for billing for service rendered by Johnson County on and after January 28, 2009.

8. The GCA clause in Johnson County's tariff requires the utility to file its proposed gas cost adjustment application with the Commission at least 30 days prior to the first day of each calendar quarter. Johnson County failed to meet this tariff requirement.

9. Johnson County should file its next GCA application in compliance with its filed tariff and KRS 278.180.

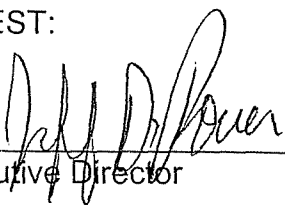
IT IS THEREFORE ORDERED that:

1. Johnson County'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 January 28, 2009.
3. Within 20 days of the date of this Order, Johnson County shall file with the Commission its revised tariffs setting out the rates approved herein with the approved effective date.
4. Johnson County shall file its next GCA by March 1, 2009 to be effective April 1, 2009.

Done at Frankfort, Kentucky, this 26<sup>th</sup> day of January, 2009.

By the Commission

ATTEST:

  
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Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00558 DATED JANUARY 26, 2009

The following rates and charges are prescribed for the customers in the area served by Johnson County 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:

Residential

| <u>Monthly</u>       | <u>Base Rate</u> | <u>Gas Cost<br/>Recovery<br/>Rate</u> | <u>Total<br/>Rate</u> |
|----------------------|------------------|---------------------------------------|-----------------------|
| Minimum Bill 0-1 Mcf | \$6.9542         | \$9.4687                              | \$16.4229             |
| All additional Mcf   | \$5.9542         | \$9.4687                              | \$15.4229             |

Commercial

| <u>Monthly</u> |          |          |           |
|----------------|----------|----------|-----------|
| All Mcf        | \$6.3042 | \$9.4687 | \$15.7729 |

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