

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF GASCO) CASE NO. 2008-00561
DISTRIBUTION SYSTEMS, INC.)

O R D E R

On February 16, 1995,¹ the Commission approved rates for Gasco Distribution Systems, Inc. ("Gasco") and provided for their further adjustment on a quarterly basis in accordance with its Gas Cost Adjustment clause.

On December 30, 2008, Gasco filed its proposed Gas Cost Recovery ("GCR") rate to be effective February 1, 2009. Gasco supplemented its filing on January 15, 2009.

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

1. Gasco's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Gasco's proposed Expected Gas Cost ("EGC") is \$9.6522 per Mcf, which is \$.9945 per Mcf less than the previous EGC of \$10.6467.
3. Gasco's notice sets out no current quarter refund adjustment.

¹ Case No. 1994-00427, The Application of Gasco Distribution Systems, Inc. for a Certificate of Convenience and Necessity to Provide Local Gas Distribution Service to Albany, Ky. and for Transfer of the Albany Gas Utility Company (Ky. PSC Feb. 16, 1995).

4. Gasco's notice sets out a current quarter Actual Adjustment ("AA") of (\$.3032) per Mcf. Gasco used an incorrect EGC for the months of August, September and October 2008. Correcting for this error results in a current quarter AA of (\$.3168) per Mcf. Gasco's proposed total AA is \$2.5592 which includes an incorrect previous quarter charge of \$.1255. The previous quarter charge should have been \$1.7136. Correcting for these errors results in a total AA of \$4.1337 per Mcf, which is a decrease of \$.3168 per Mcf from its previous total AA of \$4.4505.

5. Gasco's notice sets out no current quarter Balance Adjustment ("BA"). Gasco's notice sets out no total BA, which is no change from its previous total BA.

6. Gasco's GCR is \$13.7859 per Mcf, which is a decrease of \$1.3113 per Mcf from its previous rate of \$15.0972.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Gasco on and after February 1, 2009.

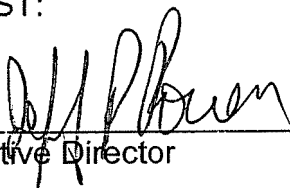
IT IS THEREFORE ORDERED that:

1. Gasco's proposed GCR of \$12.2113 is denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after February 1, 2009.
3. Within 20 days of the date of this Order, Gasco shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 30th day of January, 2009.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "D. P. Brown", is written over a horizontal line.

Executive Director

Case No. 2008-00561

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00561 DATED JANUARY 30, 2009

The following rates and charges are prescribed for the customers served by Gasco Distribution Systems, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Residential	\$4.62	\$13.7859	\$18.4059
Commercial	\$3.62	\$13.7859	\$17.4059

Trina L King
Secretary
Gasco Distribution Systems, Inc.
4435 East Pike
Zanesville, OH 43701