

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF KENTUCKY FRONTIER) CASE NO. 2010-00139
GAS, LLC DBA MIKE LITTLE GAS)
COMPANY, INC.)

ORDER

On October 22, 2003, in Case No. 2003-00141,¹ 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 31, 2010, Mike Little filed its proposed GCA to be effective May 1, 2010.

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 \$6.8492 per Mcf, which is a decrease of \$.2837 per Mcf from the previous EGC of \$7.1329 per Mcf.
3. Mike Little's notice sets out no current quarter Refund Adjustment ("RA"), and it had no RAs from previous quarters.

¹ 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 (Ky. PSC Oct. 22, 2003).

4. Mike Little's notice sets out a current quarter Actual Adjustment ("AA") of \$.2608 per Mcf. Mike Little did not use the "EGC in effect for month" of \$6.7580 approved for rates effective November 1, 2009 in Case No. 2009-00371² in calculating the cost differences for November and December 2009 and January 2010. Mike Little also failed to include the under-recovery from January 2010 in the calculation of its "Total cost difference." Correcting for these errors results in a current quarter AA of \$1.1212 per Mcf. Mike Little's total AA of (\$1.3250) per Mcf is an increase of \$.8637 per Mcf from the previous total AA of (\$2.1887) per Mcf.

5. Mike Little's Gas Cost Adjustment Rate is \$5.5242 per Mcf, which is an increase of \$.5800 per Mcf from the previous rate of \$4.9442 per Mcf.

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, 2010.

IT IS THEREFORE ORDERED that:

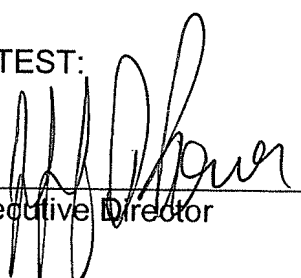
1. Mike Little's proposed rates are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after May 1, 2010.
3. Within 20 days of the date of this Order, Mike Little shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

² Case No. 2009-00371, Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC DBA Mike Little Gas Company, Inc. (Ky. PSC Oct. 15, 2009).

By the Commission

ENTERED
APR 29 2010 *M*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2010-00139

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00139 DATED APR 29 2010

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 the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$5.50	\$ 5.5242	\$11.0242
Over 1 Mcf	\$4.3271	\$ 5.5242	\$ 9.8513

Dennis R Horner
Kentucky Frontier Gas, LLC
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