

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF KENTUCKY FRONTIER GAS,) CASE NO. 2010-00216
LLC D/B/A COW CREEK GAS, INC.)

ORDER

On June 8, 2006, in Case No. 2006-00171,¹ the Commission approved rates for Cow Creek Gas, Inc. ("Cow Creek") and provided for their further adjustment in accordance with Cow Creek's Gas Cost Adjustment ("GCA") clause. On January 11, 2008, Cow Creek acquired the assets of the former Sigma Gas Corporation ("Sigma") and adopted Sigma's tariffs for furnishing natural gas to Sigma customers in Johnson, Floyd and Magoffin counties.²

On June 1, 2010, Cow Creek filed its proposed GCA, to be applied only to the former Sigma customers, effective July 1, 2010.

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

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

¹ Case No. 2006-00171, Application of Cow Creek Gas, Inc. for Authority to Adjust Its Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC Jun. 8, 2006).

² Case No. 2007-00419, Application of DLR Enterprises, Inc. and Cow Creek Gas, Inc. for Approval of the Transfer of Certain Assets Formerly Owned and Controlled by Sigma Gas Corporation (Ky. PSC Nov. 21, 2007).

2. Cow Creek's notice sets out an Expected Gas Cost ("EGC") of \$7.7158 per Mcf. The new EGC represents a decrease of \$.0966 per Mcf from the previous EGC of \$7.8124 per Mcf.

3. Cow Creek's notice sets out no current quarter Refund Adjustment ("RA"). Cow Creek's notice sets out no total RA, which is no change from the previous total RA.

4. Cow Creek's notice sets out a current quarter Actual Adjustment ("AA") of (\$.09552) per Mcf. Cow Creek used an incorrect "EGC in effect for month" for January, February, and March 2010. Cow Creek used an EGC rate of \$7.8125 instead of the EGC rate of \$7.2313 approved to be charged during the months of January, February, and March 2010 in Case No. 2009-00471.³ Correcting this produces a current quarter AA of \$.26439 per Mcf. Cow Creek's total AA is \$.4729 per Mcf, which is an increase of \$.0872 per Mcf from the previous total AA of \$.3857 per Mcf.

5. Cow Creek's GCA is \$8.1887 per Mcf, which is a decrease of \$.0094 per Mcf from the previous GCA of \$8.1981 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Cow Creek on and after July 1, 2010.

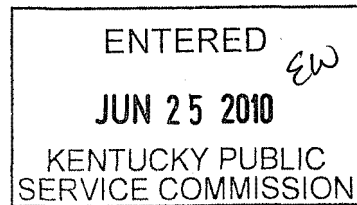
IT IS THEREFORE ORDERED that:

1. Cow Creek's proposed rates are denied.
2. The rates in the Appendix to this Order are approved for billing for service rendered on and after July 1, 2010.

³ Case No. 2009-00471, Purchased Gas Adjustment Filing of Cow Creek Gas, Inc. (Ky. PSC Dec. 10, 2009).

3. Within 20 days of the date of this Order, Cow Creek shall file revised tariffs for its Sigma customers with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00216 DATED **JUN 25 2010**

The following rates and charges are prescribed for the customers in the area formerly served by Sigma Gas Corporation and now served under the name Cow Creek Gas, 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.

RATE SCHEDULES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
First Mcf	\$6.2500	\$8.1887	\$14.4387
Over 1 Mcf	\$4.5522	\$8.1887	\$12.7409
Minimum Bill	\$14.4387		

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