

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
KENTUCKY FRONTIER GAS DBA COW CREEK) 2012-00525
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 May 10, 2010, Kentucky Frontier Gas Company, LLC acquired the stock of Cow Creek pursuant to the Commission's approval of the transfer, and adopted Cow Creek's tariffs.³

On November 30, 2012, Cow Creek filed its proposed GCA effective January 1, 2013.

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, The 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).

³ Case No. 2010-00076, Application of Kentucky Frontier Gas Company, LLC for Approval of Transfer of Stock of Cow Creek Gas, Inc., Dema Gas Company, Inc., Purchase of Farm Tap and Royalty Gas Customers of Interstate Natural Gas Company and Transfer of a Portion of DLR Enterprises, Inc. Pipeline to Cow Creek Gas, Inc. (Ky. PSC May 7, 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.
2. Cow Creek's notice sets out an Expected Gas Cost ("EGC") of \$4.5620 per Mcf, which represents an increase of \$.4215 per Mcf from the previous EGC of \$4.1405 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 (\$.0062) per Mcf. Cow Creek's total AA is (\$1.3516) per Mcf, which is an increase of \$.1338 per Mcf from the previous total AA of (\$1.4854) per Mcf.
5. Cow Creek's proposed GCA is \$3.2104 per Mcf, which is an increase of \$.5553 per Mcf from the previous GCA of \$2.6551 per Mcf.
6. 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 January 1, 2013.

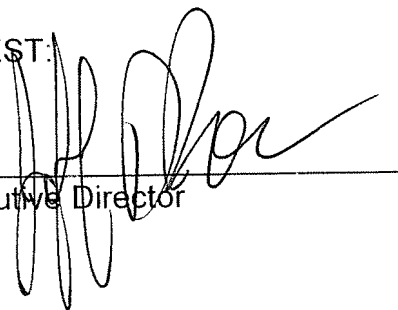
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after January 1, 2013.
2. Within 20 days of the date of this Order, Cow Creek shall file revised tariff sheets with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED ^A
DEC 11 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2012-00525

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00525 DATED DEC 11 2012

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	\$3.2104	\$9.4604
Over 1 Mcf	\$ 4.5522	\$3.2104	\$7.7626
Minimum Bill	\$9.4604		

Dennis Horner
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