

Mike Little Gas Company, Inc.

P.O. BOX 69
MELVIN, KENTUCKY 41650

March 30, 2004

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED
MAR 31 2004
PUBLIC SERVICE
COMMISSION

Case 2004-00119

Dear Sir:

Enclosed are four copies of our quarterly filing using historic test period reflecting an increase in rates effective May 1, 2004.

Sincerely,

Virginia S. Gibson

Virginia S. Gibson

RECEIVED
MAR 31 2004
PUBLIC SERVICE
COMMISSION

MIKE LITTLE GAS COMPANY, INC.

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

MARCH 31, 2004

Date Rates to be Effective:

MAY 1, 2004

Reporting Period is Calendar Quarter Ended:

JANUARY 31, 2004

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost Adjustment (EGCA)		
+ Refund Adjustment (RA)	\$/Mcf	9.0362
+ Actual Cost Adjustment (ACA)	\$/Mcf	.00
<u>= Gas Cost Recovery Rate (GCRR)</u>	<u>\$/Mcf</u>	<u>.3202</u>
	\$/Mcf	9.3564

GCRR to be effective for service rendered from 5/1/04 to 7/31/04

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)		
+ Sales for the 12 months ended <u>1/31/04</u>	\$	299,994.73
<u>= Expected Gas Cost Adjustment (EGCA)</u>	<u>Mcf</u>	<u>33199.2</u>
	\$/Mcf	9.0362

B. REFUND ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)		
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	.00
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	.00
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	.00
<u>= Refund Adjustment (RA)</u>	<u>\$/Mcf</u>	<u>.000</u>
	\$/Mcf	.00

C. ACTUAL COST ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Cost Adjustment for the Reporting Period (Schedule IV)		
+ Previous Quarter Reported Actual Cost Adjustment	\$/Mcf	.2897
+ Second Previous Quarter Reported Actual Cost Adjustment	\$/Mcf	.0392
+ Third Previous Quarter Reported Actual Cost Adjustment	\$/Mcf	(.0296)
<u>= Actual Cost Adjustment (ACA)</u>	<u>\$/Mcf</u>	<u>.0209 *</u>
	\$/Mcf	.3202

ACA BALANCING:

ACA as filed 2/1/03 - (.0675) for over recovery of (\$2211.81)
Mcf sales - 2/1/03-1/31/04 - 33199.2 Mcf x (.0675) = (2240.95)
\$ 29.14

Estimated gas sales - May to July '04 - 2013.5 Mcf \$29.14
2013.5 = .0145

Third previous quarter - .0064 + .0145 = .0209 *

SCHEDULE II
EXPECTED GAS COST ADJUSTMENT

Actual* Mcf Purchases for 12 months ended			JANUARY 31, 2004		
(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Equitable	34145	1.1476	29753	7.15 dth	213,800.03
Columbia			6792	10.2445 mcf	62,167.11
Totals	<u>34145</u>		<u>36545</u>		<u>275,967.14</u>

Line loss for 12 months ended JANUARY 31, 2004 is 9 % based on purchases of 36545 Mcf and sales of 33199.2 Mcf.

	$34145 \times 7.15 = 244136.75$	Unit	Amount
Total Expected Cost of Purchases (6)		\$	313,717.39
+ Mcf Purchases (4)	$6792 \times 10.2445 = 69580.64$	Mcf	<u>36545</u>
= Average Expected Cost Per Mcf Purchased		\$/Mcf	8.5844
* Allowable Mcf purchases (must not exceed Mcf sales + .95)		Mcf	<u>34946.5</u>
= Total Expected Gas Cost (to Schedule IA.)		\$	299,994.73

*Or adjusted pursuant to Purchased Gas Cost Adjustment Clause and explained herein.

*Supplier's tariff sheets or notices are attached.

Fifty First Revised Sheet No. 7
 Superceding
 Fiftieth Revised Sheet No. 7
 P.S.C. Ky. No. 5

COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

	<u>Base Rate</u> <u>Charge</u> \$	<u>Gas Cost Adjustment</u> ^{1/} <u>Demand</u> \$	<u>Commodity</u> \$	<u>Total</u> <u>Billing</u> <u>Rate</u> \$
<u>RATE SCHEDULE IUS</u>				
For All Volumes Delivered Per Mcf	0.3038	1.2727	8.6680	10.2445
<u>Delivery Service</u>				
Administrative Charge	55.90			55.90
Delivery Rate Per Mcf	0.3038	1.2727		1.5765
Banking and Balancing Service		0.0210		0.0210
<u>MAINLINE DELIVERY SERVICE</u>				
Administrative Charge	55.90			55.90
Delivery Rate Per Mcf	0.0858			0.0858
Banking and Balancing Service		0.0210		0.0210

^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.

DATE OF ISSUE; March 1, 2004

DATE EFFECTIVE: March 2004 Billing Cycle
 March 1, 2004

Issued by: Joseph W. Kelly

President

Issued by authority of an Order of the Public Service Commission in Case No. 2004-00033 dated February 23, 2004

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: March 30, 2004. The parties to this Base Contract are the following:

Equitable Energy, LLC
110 Allegheny Center Mall, Pittsburgh, PA 15212
 Duns Number: 03-585-8708
 Contract Number: _____
 U.S. Federal Tax ID Number: 25-1796643

and

Mike Little Gas Company
22946 KY Route 122, Melvin, KY 41650
 Duns Number: _____
 Contract Number: _____
 U.S. Federal Tax ID Number: _____

Notices:

Same as above
 Attn: Contract Administration
 Phone: 412.395.2635 Fax: 412.395.2675

Mike Little Gas Company c/o Thomson Law Offices
 Attn: Ms. Mika Thompson, 106 Logan Street, Williamson, WV 25661
 Phone: (304) 235-6454 Fax: (304) 235-6458

Confirmations:

Same as above
 Attn: Contract Administration
 Phone: 412.395.2635 Fax: 412.395.2675

Mike Little Gas Company
 Attn: Virginia Gibson
 Phone: (606) 452-2475 Fax: (606) 452-2475

Invoices and Payments:

Invoices: Same as above
 Attn: Dan Massencill
Payments: P.O. Box 223046, Pittsburgh, PA 15251-2046
 Phone: 412.395.2616 Fax: 412.395.2675

Mike Little Gas Company
 Attn: Accts. Payable
P.O. Box 69, Melvin, KY 41650
 Phone: (606) 452-2475 Fax: (606) 452-2475

Wire Transfer or ACH Numbers (if applicable):

BANK: Mellon Bank, NA, Pittsburgh, PA
ABA: 043000261
ACCT: 1212494
 Other Details: _____

BANK: N/A
ABA: _____
ACCT: _____
 Other Details: _____

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. **Select only one box from each section:**

Section 1.2 Transaction Procedure	<input checked="" type="checkbox"/> Oral (default) <input type="checkbox"/> Written	Section 7.2 Payment Date	<input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery (default) <input type="checkbox"/> _____ Day of Month following Month of delivery
Section 2.5 Confirm Deadline	<input checked="" type="checkbox"/> 2 Business Days after receipt (default) <input type="checkbox"/> _____ Business Days after receipt	Section 7.2 Method of Payment	<input checked="" type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input checked="" type="checkbox"/> Check
Section 2.6 Confirming Party	<input type="checkbox"/> Seller (default) <input type="checkbox"/> Buyer <input checked="" type="checkbox"/> <u>Equitable Energy, LLC</u>	Section 7.7 Netting	<input type="checkbox"/> Netting applies (default) <input checked="" type="checkbox"/> Netting does not apply
Section 3.2 Performance Obligation	<input checked="" type="checkbox"/> Cover Standard (default) <input type="checkbox"/> Spot Price Standard	Section 10.3.1 Early Termination Damages	<input checked="" type="checkbox"/> Early Termination Damages Apply (default) <input type="checkbox"/> Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding.			
Section 2.26 Spot Price Publication	<input checked="" type="checkbox"/> Gas Daily Midpoint (default) <input type="checkbox"/> _____	Section 10.3.2 Other Agreement Setoffs	<input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 6 Taxes	<input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) <input type="checkbox"/> Seller Pays Before and At Delivery Point	Section 14.6 Choice Of Law	<u>Pennsylvania</u>
<input checked="" type="checkbox"/> Special Provisions Number of sheets attached: <u>One</u> <input type="checkbox"/> Addendum(s): <u>None</u>		Section 14.10 Confidentiality	<input checked="" type="checkbox"/> Confidentiality applies (default) <input type="checkbox"/> Confidentiality does not apply

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

Party Name Equitable Energy, LLC

Party Name Mike Little Gas Company

By _____
 Name: Frank R. Kronz, Jr.
 Title: Director - Corporate Risk Management

By _____
 Name: _____
 Title: _____

EQUITABLE ENERGY LLC

Confirmation Date March 30, 2004 06:02

Transaction Confirmation - EXHIBIT A

This Confirmation Letter is being provided in accordance with EEC's Master Gas Sale/Purchase Agreement, the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas or the Gas Industry Standards Board Base Contract for Short-Term Sale and Purchase of Natural Gas ("Contract"), which ever is applicable, between Equitable Energy, LLC ("EEC") and Counterparty, and constitutes part of and is subject to all terms and provisions of the Contract. In the event the Parties have not executed a Contract, the terms and conditions of the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas and Equitable Energy's Special Provisions (attached if applicable) and this Confirmation Letter shall apply to this Transaction.

Please sign and return one copy of the attached Confirmation to EEC within two (2) Business Days of receipt to the fax number set forth below. The terms of this Confirmation Letter are binding on EEC and Counterparty unless Counterparty objects to EEC in writing within said two (2) Business Days. If you are not in agreement with the above terms, please contact Theresa L. Petersen at 412.395.2635.

Seller EQUITABLE ENERGY LLC 110 ALLEGHENY CENTER MALL PITTSBURGH, PA 15212	Buyer MIKE LITTLE GAS C/O THOMPSON LAW OFFICES 106 LOGAN STREET WILLIAMSON, WV 25661
Deal Maker BRIAN SHAPRANEK	Deal Maker: VIRGINIA GIBSON
Phone 412.395.2627	Phone (606) 452-2475
Email EMail not available -- Fax# 412.395.2675	Email EMail not available -- Fax# (606) 452-2475

Transaction ID

S-MIKELITTLE-0012

Pricing Detail

Service Level	From	To	Price
FIRM	04/01/2004 10:00 am	05/01/2004 10:00 am	\$7.1500

Point Detail

Pipeline	Meter	Total/Avg Daily	Description
KENTUCKY, WV	25	1,950/ 65 Dth	MIKE LITTLE GAS COMPANY, LANGLEY

Special Conditions

Transaction subject to execution of NAESB and Special Provisions (attached). Please sign this confirm, NAESB page 1 and the Special Provisions and return by fax to 412.395.2675 immediately.

If monthly actual volumes are greater than the volumes listed above, the price for the additional volumes will be priced at the Daily Midpoint as published in Platts Gas Daily under the heading Columbia Gas Appalachia plus TCO fuel plus Kentucky West Virginia Gas fuel plus commodity @ \$0.7251/dth plus demand.

If monthly actual volumes are less than the volumes listed above, the buyback price paid to Mike Little Gas will be the Daily Midpoint as published in Platts Gas Daily under the heading Columbia Gas Appalachia.

The demand component is \$0.10/dth.

Volume for April is estimated to be 1,950/dth for the month per Virginia Gibson.

SELLER EQUITABLE ENERGY LLC	BUYER MIKE LITTLE GAS
By Authorized Signer & Title /s/ Frank Kronz, Director	Title
Date March 30, 2004	Date

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended JANUARY 31, 2004

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$.00
<u>+ Interest</u>	\$	<u>.00</u>
= Refund Adjustment including interest	\$.00
<u>+ Sales for 12 months ended 1/31/04</u>	Mcf	<u>33199.2</u>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	.00

SCHEDULE IV
ACTUAL COST ADJUSTMENT

For the 3 month period ended JANUARY 31, 2004

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(NOV)</u>	<u>Month 2</u> <u>(DEC)</u>	<u>Month 3</u> <u>(JAN)</u>
Total Supply Volumes Purchased	Mcf	4376	7047	7683
Total Cost of Volumes Purchased	\$	29808.91	60953.90	66542.84
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	4157.2	6694.6	7298.9
= Unit Cost of Gas	\$/Mcf	7.1704	9.1049	9.1168
- <u>EGCA in effect for month</u>	\$/Mcf	7.0394	8.2576	8.5339
= Difference [(Over-)/Under-Recovery]	\$/Mcf	.1310	.8473	5829
x <u>Actual sales during month</u>	Mcf	2695.4	6587.3	6321.5
= Monthly cost difference	\$	353.10	5581.42	3684.80

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	9619.32
+ Sales for 12 months ended <u>1/31/04</u>	Mcf	33199.2
= Actual Cost Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.2897

P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO. _____

MIKE LITTLE GAS COMPANY

OF

MELVIN, KENTUCKY

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

NATURAL GAS SERVICE

AT

MELVIN, BYPRO, WEEKSBURY, LANGLEY AND GOBLE ROBERTS
IN
KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE MAY 1, 2004

ISSUED BY *Virginia A. Litten*
Month / Date / Year
(Signature of Officer)

TITLE ADMINISTRATIVE MANAGER

FOR Melvin, Bypro, Weeksbury, Langley, Goble
Roberts

Community, Town or City

P.S.C. KY. NO. 1

SHEET NO. 3

Mike Little Gas Company, Inc.
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

APPLICABLE: Entire territory served

AVAILABILITY OF SERVICE: Domestic and commercial use in applicable areas.

A. MONTHLY RATES:

	<u>BASE RATE</u>		<u>GCCR</u>		
FIRST 1 MCF (MINIMUM BILL)	5.50	+	9.3564	=	\$14.8564 (I)
OVER 1 MCF	4.3271	+	9.3564	=	13.6835 p/M (I)

SURCHARGE: In addition to the above rates, a surcharge of \$.696 per Mcf used for all areas except Goble Roberts for Kentucky West Virginia Gas Company FERC Docket #TQ-89-1-46-000.

B. DEPOSITS

\$100.00

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE MAY 1, 2004
Month / Date / Year

ISSUED BY Virginia A. Gilman
(Signature of Officer)

TITLE ADMINISTRATIVE MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____