



Ernie Fletcher
Governor

Mark David Goss
Chairman

Teresa J. Hill, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

John W. Clay
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

October 31, 2006

Virginia Morgan
Administrative Manager
Mike Little Gas Company, Inc.
P. O. Box 69
Melvin, KY 41650

CERTIFICATE OF SERVICE

RE: Case No. 2006-00441
Mike Little Gas Company, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on October 31, 2006.

Executive Director

BOD/sh
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MIKE) CASE NO. 2006-00441
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 October 11, 2006, Mike Little filed its proposed GCA to be effective November 1, 2006.

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 expected gas cost ("EGC") is \$8.442 per Mcf, which is a decrease of \$1.063 per Mcf from the previous EGC of \$9.505.
3. Mike Little's notice sets out no current quarter refund adjustment ("RA"), and it had no RAs from previous quarters.
4. Mike Little's notice sets out a current quarter actual adjustment ("AA") of 2.433 cents per Mcf. Mike Little's notice sets out a total AA of \$1.8070 per Mcf. Mike

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.

Little carried forward two incorrect prior quarter AAs. Correcting for this produces a total AA of (\$1.5211) per Mcf, which is a decrease of \$3.0459 per Mcf from the previous total AA.

5. Mike Little's GCA is \$6.9209 per Mcf, which is \$4.1089 per Mcf less than the previous rate of \$11.0298.

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 November 1, 2006.

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 November 1, 2006.
3. Within 20 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of October, 2006.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00441 DATED October 31, 2006.

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 this 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	\$6.9209	\$12.4209
Over 1 Mcf	4.3271	6.9209	\$11.2480