

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF JOHNSON)
COUNTY GAS COMPANY, INC.) CASE NO. 2007-00078

ORDER

On September 1, 1999, in Case No. 1999-00155, the Commission approved rates for Johnson County Gas Company, Inc. ("Johnson County") and provided for their further adjustment in accordance with Johnson County's gas cost adjustment ("GCA") clause.¹

On February 16, 2007, Johnson County filed its proposed GCA to be effective April 1, 2007.

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

1. Johnson County's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Johnson County proposes an expected gas cost ("EGC") of \$7.6705, which is \$6.0558 per Mcf less than the previously approved EGC of \$13.7263.
3. Johnson County's notice sets out no refund adjustment.

¹ Case No. 1999-00155, Application of Johnson County Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated September 1, 1999.

4. Johnson County's notice sets out a current quarter actual adjustment ("AA") of (\$2.9614) per Mcf. Johnson County's notice sets out a total AA of (\$2.9614) per Mcf, which is \$2.8419 per Mcf less than the previous total AA.

5. Johnson County's notice sets a current quarter balancing adjustment ("BA") of (5.7) cents per Mcf. Johnson County's calculation of its current quarter BA uses factors from its prior AAs that are still in effect until this Order approves a change in rates. Therefore, the BA should not be calculated until Johnson County's next GCA filing. Removing the proposed BA produces a current quarter and total BA of 0, which is 3.32 cents per Mcf more than the previous total BA.

6. Johnson County's gas cost recovery rate is \$4.7091 per Mcf, which is \$8.8645 per Mcf less than the previous rate of \$13.5736.

7. Johnson County's adjustment in rates is fair, just, and reasonable, and should be approved for billing for service rendered by Johnson County on and after April 1, 2007.

IT IS THEREFORE ORDERED that:

1. Johnson County'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 April 1, 2007.
3. Within 20 days of the date of this Order, Johnson County shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 27th day of March, 2007.

By the Commission

ATTEST:

Executive Director

Case No. 2007-00078

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00078 DATED MARCH 27, 2007

The following rates and charges are prescribed for the customers in the area served by Johnson County 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.

RATES:

Residential

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
Minimum Bill 0-1 Mcf	\$6.9542	\$4.7091	\$11.6633
All additional Mcf	\$5.9542	\$4.7091	\$10.6633

Commercial

<u>Monthly</u>			
All Mcf	\$6.3042	\$4.7091	\$11.0133