

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF COW)
CREEK GAS, INC.) CASE NO. 2007-00560

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 December 26, 2007, Cow Creek filed its proposed GCA to be effective February 1, 2008. 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 \$10.89 per Mcf. Cow Creek miscalculated its per Mcf EGC on Schedule I. Correcting for this error produces an EGC of \$11.3313 per Mcf, which is \$1.3313 per Mcf more than the previous EGC of \$10.00.
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.

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.

4. Cow Creek's notice sets out no current quarter Actual Adjustment ("AA"). Cow Creek's total AA is \$0 per Mcf, which is no change from the previous total AA.

5. Cow Creek's notice sets out no Balance Adjustment ("BA"). Cow Creek's notice sets out no total BA, which is no change from the previous BA.

6. Cow Creek's GCA is \$11.3313 per Mcf, which is \$1.3313 per Mcf more than the previous GCA of \$10.00.

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 February 1, 2008.

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 final meter readings on and after February 1, 2008.
3. Within 20 days of the date of this Order, Cow Creek shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of January, 2008.

By the Commission

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00560 DATED JANUARY 31, 2008

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

AVAILABILITY

Available for all residential and commercial purposes.

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
First Mcf	\$3.1770	\$11.3313	\$14.5083
Over 1 Mcf	\$3.1770	\$11.3313	\$14.5083
Minimum Bill	\$14.5083		