

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF KENTUCKY FRONTIER) CASE NO. 2011-00511
GAS, LLC D/B/A MIKE 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 November 25, 2008, Kentucky Frontier Gas, LLC acquired control of Mike Little pursuant to the Commission's approval of the transfer, and adopted Mike Little's tariffs.²

On December 20, 2011, Mike Little filed its proposed GCA to be effective February 1, 2012.

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.

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 (Ky. PSC Oct. 22, 2003).

² Case No. 2008-00394, Application of Kentucky Frontier Gas, LLC for Approval of Financing and Transfer of Control (Ky. PSC Nov. 25, 2008).

2. Mike Little's notice sets out an Expected Gas Cost ("EGC") of \$4.8266 per Mcf, which is a decrease of \$.8437 per Mcf from the previous EGC of \$5.6703 per Mcf.

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 (\$.1357) per Mcf. Mike Little's total AA of (\$.5884) per Mcf is a decrease of \$.0178 per Mcf from the previous total AA of (\$.5706) per Mcf.

5. Mike Little's GCA rate is \$4.2382 per Mcf, which is a decrease of \$.8615 per Mcf from the previous rate of \$5.0997 per Mcf. Due to a spreadsheet rounding error, Mike Little proposed a GCA rate of \$4.2383 per Mcf.

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 February 1, 2012.

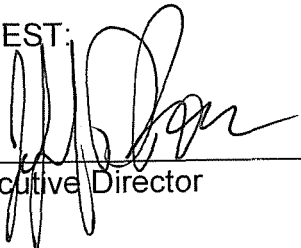
IT IS THEREFORE ORDERED that:

1. The rates proposed by Mike Little are denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after February 1, 2012.
3. Within 20 days of the date of this Order, Mike Little shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED *PA*
JAN 31 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00511 DATED **JAN 31 2012**

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 the 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	\$ 4.2382	\$ 9.7382
Over 1 Mcf	\$4.3271	\$ 4.2382	\$ 8.5653

Dennis R Horner
Kentucky Frontier Gas, LLC
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