

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MIKE) CASE NO. 2007-00248
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 June 22, 2007, Mike Little filed its proposed GCA to be effective August 1, 2007.

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 notice sets out an expected gas cost ("EGC") of \$10.084 per Mcf. Mike Little used an incorrect Columbia Gas of Kentucky ("Columbia") Intrastate Utility Service ("IUS") rate in its calculation. Updating Columbia's IUS rate to \$7.4621

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, Order dated October 22, 2003.

per Mcf, which was effective May 31, 2007,² produces an EGC of \$10.1465, which is an increase of \$1.3214 per Mcf from the previous EGC of \$8.8251.

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 71 cents per Mcf. Mike Little used an incorrect EGC in its calculation. Correcting for this error produces a current quarter AA of \$1.4375 per Mcf and a total AA of \$2.50 per Mcf, which is an increase of \$3.1714 per Mcf from the previous total AA.

5. Mike Little's GCA is \$12.6465 per Mcf, which is \$4.4928 per Mcf more than the previous rate of \$8.1537.

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 August 1, 2007.

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 August 1, 2007.
3. Within 20 days of the date of this Order, Mike Little shall file with the Commission its revised tariffs setting out the rates authorized herein.

² Case No. 2007-00173, Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., Order dated May 24, 2007.

Done at Frankfort, Kentucky, this 31st day of July, 2007.

By the Commission

ATTEST:



Executive Director

Case No. 2007-00248

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00248 DATED July 31, 2007.

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	\$12.6465	\$18.1465
Over 1 Mcf	\$4.3271	\$12.6465	\$16.9736