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Commissioner

March 26, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00067  
Johnson County Gas Company, Inc.

I, Stephanie Stumbo, 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 March 26, 2008.

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Executive Director

SS/rs  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF JOHNSON        )    CASE NO. 2008-00067  
COUNTY GAS COMPANY, INC.            )

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.<sup>1</sup>

On February 26, 2008, Johnson County filed its proposed GCA to be effective April 1, 2008.

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 \$9.7995, which is \$1.7305 per Mcf more than the previously approved EGC of \$8.0690.
3. Johnson County's notice sets out no refund adjustment.
4. Johnson County's notice sets out a current quarter actual adjustment ("AA") of (\$.8164) per Mcf for the period September 2007 through January 2008.

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<sup>1</sup> 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.

Johnson County used incorrect EGCs in its calculation. Correcting for this produces a current quarter AA of (\$.1105) per Mcf. Johnson County's total AA is (\$3.1358) per Mcf, which is \$2.8509 per Mcf more than the previous total AA. Staff's revised calculations are attached as Appendix B.

5. Johnson County's notice sets out no current quarter balancing adjustment ("BA"). Johnson County's total BA is (\$.0382) per Mcf, which is no change from the previous total BA.

6. Johnson County's gas cost recovery rate is \$6.6255 per Mcf, which is \$4.5814 per Mcf more than the previous rate of \$2.0441.

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, 2008.

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, 2008.
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 26th day of March, 2008.

By the Commission

ATTEST

  
Executive Director

Case No. 2008-00067

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00067 DATED MARCH 26, 2008

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	\$6.6255	\$13.5797
All additional Mcf	\$5.9542	\$6.6255	\$12.5797

Commercial

<u>Monthly</u>			
All Mcf	\$6.3042	\$6.6255	\$12.9297

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00067 DATED MARCH 26, 2008

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended

Particulars	Unit	Sept. '07	Oct. '07	Nov. '07	Dec. '07	Jan. '08
Total Supply Volumes Purchased	Mcf	174	759	1402	1744	1504
Total Cost of Volumes Purchased	\$	\$1,123.59	\$5,365.80	\$11,177.64	\$14,076.78	\$12,830.32
/ Total Sales *	Mcf	165.3	721.1	1,331.9	1,656.8	2,010.0
= Unit Cost of Gas	\$/Mcf	\$6.7973	\$7.4416	\$8.3923	\$8.4964	\$6.3832
- EGC in Effect for Month	\$/Mcf	\$7.6705	\$7.6705	\$7.6705	\$7.6705	\$8.0690
= Difference	\$/Mcf	(\$0.8732)	(\$0.2289)	\$0.7218	\$0.8259	(\$1.6858)
x Actual Sales during Month	Mcf	156.0	155.0	514.0	1,641.0	2,010.0
= Monthly Cost Difference	\$	(\$136.22)	(\$35.47)	\$370.98	\$1,355.25	(\$3,388.37)
Total Cost Difference			\$	(\$1,833.84)		
/ Sales for 12 months ended			Mcf	16,595.2		
= Actual Adjustment for the Reporting Period (to Sch IC)				(\$0.1105)		

\* May not be less than 95% of supply volume