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Gasco Distribution Systems, Inc.  
4435 East Pike  
Zanesville, OH 43701

October 27, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00406  
GASCO Distribution Systems, 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 October 27, 2008.

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Executive Director

SS/tw  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY )  
FILING OF GASCO DISTRIBUTION SYSTEMS, ) CASE NO. 2008-00406  
INC. )

O R D E R

On February 16, 1995,<sup>1</sup> the Commission approved rates for Gasco Distribution Systems, Inc. ("Gasco") and provided for their further adjustment on a quarterly basis in accordance with its Gas Cost Adjustment ("GCA") clause.

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

1. Gasco's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Gasco's notice sets out an Expected Gas Cost ("EGC") of \$11.2071 per Mcf. Gasco erroneously included an adjustment for line loss which it did not experience. Correcting for this produces an EGC of \$10.6467, which is a decrease of \$.2597 per Mcf from its previous EGC of \$10.9064.
3. Gasco's notice sets out no current quarter Refund Adjustment.
4. Gasco's notice sets out a current quarter Actual Adjustment ("AA") of

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<sup>1</sup> Case No. 1994-00427, The Application of Gasco Distribution Systems, Inc. for a Certificate of Convenience and Necessity to Provide Local Gas Distribution Service to Albany, Ky. and for Transfer of the Albany Gas Utility Company (Ky. PSC Feb. 16, 1995).

\$.1255 per Mcf. Gasco's proposed current quarter AA was calculated in two parts, but Gasco only included one part on Schedule I. Correcting for this results in a current quarter AA of \$1.7136 per Mcf. Gasco's proposed total AA includes the surcharge approved in its most recent GCA filing.<sup>2</sup> Since this should be a separate surcharge on the bill, it should not be included in the GCA. Correcting for this results in a total AA of \$4.4505 per Mcf, which is an increase of \$1.7136 per Mcf from its previous total AA.

5. Gasco's notice sets out no current quarter Balance Adjustment ("BA"). Gasco's notice sets out no total BA, which is no change from its previous total BA.

6. Gasco's GCA is \$15.0972 per Mcf, which is an increase of \$1.4539 per Mcf from its previous rate of \$13.6433.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Gasco on and after November 1, 2008.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after November 1, 2008.

2. Within 20 days of the date of this Order, Gasco shall file with the Commission its revised tariffs setting out the rates approved herein.

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<sup>2</sup> Case No. 2008-00096, An Investigation into the Reasonableness of the Gas Cost Recovery Filing of Gasco Distribution Systems, Inc., Order dated August 14, 2008.

Done at Frankfort, Kentucky, this 27th day of October, 2008.

By the Commission

ATTEST:

  
Executive Director

Case No. 2008-00406

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00406 DATED OCTOBER 27, 2008

The following rates and charges are prescribed for the customers served by Gasco Distribution Systems, 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:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$4.62	\$15.0972	\$19.7172
Commercial	\$3.62	\$15.0972	\$18.7172