

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF KENTUCKY FRONTIER) CASE NO. 2009-00161
GAS, LLC D/B/A EAST KENTUCKY)
UTILITIES, INC.)

ORDER

On March 11, 2005, in Case No. 2005-00032,¹ the Commission approved rates for East Kentucky Utilities, Inc. ("East Kentucky") and provided for their further adjustment on an as-needed basis in accordance with East Kentucky's Gas Cost Adjustment ("GCA") clause. On August 15, 2005, Kentucky Frontier Gas, LLC assumed operation of the system.

On April 17, 2009, East Kentucky filed its proposed GCA to be effective June 1, 2009.

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

1. East Kentucky's notice includes revised rates designed to pass on to its customers its expected change in gas costs.
2. East Kentucky's notice sets out an Expected Gas Cost ("EGC") of \$6.1190 per Mcf, which is a decrease of \$.6373 per Mcf from its previous EGC of \$6.7563 per Mcf.

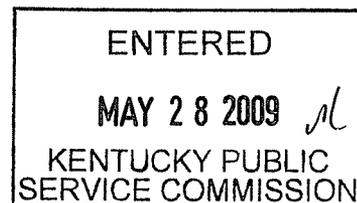
¹ Case No. 2005-00032, Application of East Kentucky Utilities, Inc. for Approval of the Proposed Increase in Rates (Ky. PSC Mar. 11, 2005).

3. East Kentucky's notice sets out no Refund Adjustment.
4. East Kentucky's notice sets out a current quarter Actual Adjustment ("AA") of (\$.2964) per Mcf. East Kentucky's total AA is \$.3272 per Mcf, which is a decrease of \$.2964 per Mcf from the previous total AA of \$.6236 per Mcf.
5. East Kentucky's notice sets out no current quarter Balance Adjustment ("BA"). East Kentucky's total BA is 0 cents per Mcf, which is no change from the previous total BA.
6. East Kentucky's GCA is \$6.4462 per Mcf, which is \$.9337 per Mcf less than the previous rate of \$7.3799 per Mcf.
7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by East Kentucky on and after June 1, 2009.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for service rendered on and after June 1, 2009.
2. Within 20 days of the date of this Order, East Kentucky shall file with this Commission its revised tariffs setting out the rates authorized herein.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00161 DATED **MAY 28 2009**

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, 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.

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First Mcf	\$10.00	\$6.4462	\$16.4462
All Over	\$5.2553	\$6.4462	\$11.7015

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