

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF COW CREEK GAS, INC.)

CASE NO. 2009-00471

ORDER

On June 8, 2006, in Case No. 2006-00171,¹ the Commission approved rates for Cow Creek Gas, Inc. ("Cow Creek") and provided for their further adjustment in accordance with Cow Creek's Gas Cost Adjustment ("GCA") clause. On January 11, 2008, Cow Creek acquired the assets of the former Sigma Gas Corporation ("Sigma") and adopted Sigma's tariffs for furnishing natural gas to Sigma customers in Johnson, Floyd and Magoffin counties.²

On December 1, 2009, Cow Creek filed its proposed GCA, to be applied only to the former Sigma customers, effective January 1, 2010.

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

1. Cow Creek's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

¹ Case No. 2006-00171, Application of Cow Creek Gas, Inc. for Authority to Adjust Its Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC June 8, 2006).

² Case No. 2007-00419, Application of DLR Enterprises, Inc. and Cow Creek Gas, Inc. for Approval of the Transfer of Certain Assets Formerly Owned and Controlled by Sigma Gas Corporation (Ky. PSC Nov. 21, 2007).

2. Cow Creek's notice sets out an Expected Gas Cost ("EGC") of \$7.2313 per Mcf, which includes a transportation charge of \$2.00 per Mcf. The new EGC represents an increase of \$.4044 per Mcf from the previous EGC of \$6.8269 per Mcf.

3. Cow Creek's notice sets out no current quarter Refund Adjustment ("RA"). Cow Creek's notice sets out no total RA, which is no change from the previous total RA.

4. Cow Creek's notice sets out a current quarter Actual Adjustment ("AA") of \$.01190 per Mcf. Cow Creek used an incorrect "EGC in effect for month" of \$7.3367 instead of \$7.0642, which was actually in effect for July, August, and September 2009. Correcting this produces a current quarter AA of \$.02195 per Mcf. Cow Creek's total AA is \$.3325 per Mcf, which is an increase of \$.0219 per Mcf from the previous total AA of \$.3106 per Mcf.

5. Cow Creek's notice set out a current quarter Balance Adjustment ("BA") of \$0 per Mcf and a total BA of \$0 per Mcf, which is no change from the previous BA.

6. Cow Creek's GCA is \$7.5638 per Mcf, which is an increase of \$.4263 per Mcf from the previous GCA of \$7.1375 per Mcf.

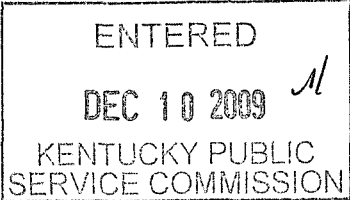
7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Cow Creek on and after January 1, 2010.

IT IS THEREFORE ORDERED that:

1. Cow Creek's proposed rates are denied.
2. The rates in the Appendix to this Order are approved for billing for service rendered on and after January 1, 2010 to Cow Creek's former Sigma customers.

3. Within 20 days of the date of this Order, Cow Creek shall file with this Commission revised tariffs for its Sigma customers setting out the rates approved herein.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00471 DATED DEC 10 2009

The following rates and charges are prescribed for the customers in the area formerly served by Sigma Gas Corporation and now served under the name Cow Creek Gas, 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.

RATE SCHEDULES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
First Mcf	\$6.2500	\$7.5638	\$13.8138
Over 1 Mcf	\$4.5522	\$7.5638	\$12.1160
Minimum Bill	\$13.8138		

Peggy Pinion
Cow Creek Gas, Inc.
276 Thompson Road
P. O. Box 3385
Pikeville, KY 41502