

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)
GASCO DISTRIBUTION SYSTEMS, INC.) CASE NO. 2009-00539

O R D E R

On February 16, 1995,¹ 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 clause.

On December 28, 2009, Gasco filed its proposed Gas Cost Recovery ("GCR") rate to be effective February 1, 2010.

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 proposed Expected Gas Cost ("EGC") is \$9.3655 per Mcf, which is an increase of \$2.3784 per Mcf from the previous EGC of \$6.9871 per Mcf.
3. Gasco's notice sets out no current quarter Refund Adjustment.
4. Gasco's notice sets out a current quarter Actual Adjustment ("AA") of

¹ 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).

\$1.8275 per Mcf. Gasco's total AA is \$.4655 per Mcf, which is a decrease of \$1.0516 per Mcf from its previous total AA of \$1.5171 per Mcf.

5. Gasco's notice sets out a current quarter Balance Adjustment ("BA") of \$.0386 per Mcf. Gasco did not calculate its BA using the \$26,955.30 amount that was to be collected through the expired AA of \$1.3403 per Mcf, and it did not use the sales volumes of 27,251 Mcf that occurred during the 12 months the AA had been charged. Correcting for this produces a current quarter BA of (\$.3774) per Mcf. Gasco's total BA is (\$.4448) per Mcf, which is a decrease of \$.3774 per Mcf from its previous total BA of (\$.0674) per Mcf.

6. Gasco's GCR is \$9.3862 per Mcf, which is an increase of \$.9494 per Mcf from its previous rate of \$8.4368 per Mcf.

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 February 1, 2010.

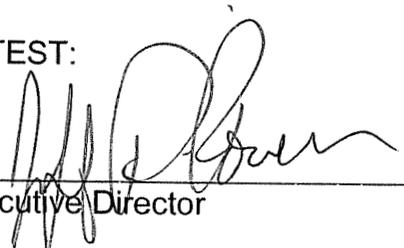
IT IS THEREFORE ORDERED that:

1. Gasco'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 February 1, 2010.
3. Within 20 days of the date of this Order, Gasco shall file with the Commission its revised tariffs setting out the rates approved herein, reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED
JAN 19 2010 *M*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00539 DATED JAN 19 2010

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	\$9.3862	\$14.0062
Commercial	\$3.62	\$9.3862	\$13.0062

Trina L King
Secretary
Gasco Distribution Systems, Inc.
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