

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF KENTUCKY FRONTIER)	CASE NO. 2010-00001
GAS, LLC D/B/A MIKE LITTLE GAS)	
COMPANY, INC.)	

ORDER

On October 22, 2003, in Case No. 2003-00141,¹ the Commission approved rates for Mike Little Gas Company, Inc. ("Mike Little"), and provided for their further adjustment in accordance with Mike Little's Gas Cost Adjustment ("GCA") clause.

On January 4, 2010, Kentucky Frontier Gas, LLC d/b/a Mike Little filed its proposed GCA to be effective February 1, 2010.

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

1. Mike Little's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Mike Little's notice sets out an Expected Gas Cost ("EGC") of \$7.1329 per Mcf, which is an increase of \$.3749 per Mcf from the previous EGC of \$6.7580 per Mcf.
3. Mike Little's notice sets out no current quarter Refund Adjustment ("RA"), and it had no RAs from previous quarters.

¹ Case No. 2003-00141, Application of Mike Little Gas Company, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC Oct. 22, 2003).

4. Mike Little's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0416) per Mcf. Mike Little did not use the "EGC in effect for month" of \$7.1860 approved for rates effective August 6, 2009 in Case No. 2009-00309² in calculating the cost differences for August, September, and October. Correcting for this results in a current quarter AA of (\$.0126) per Mcf. Mike Little's total AA of (\$2.1887) per Mcf is a decrease of \$.0126 per Mcf from the previous total AA of (\$2.1761) per Mcf.

5. Mike Little's Gas Cost Adjustment Rate is \$4.9442 per Mcf, which is an increase of \$.3623 per Mcf from the previous rate of \$4.5819 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Mike Little on and after February 3, 2010. Mike Little did not give the 30 days' notice required for an increase in rates to go into effect.

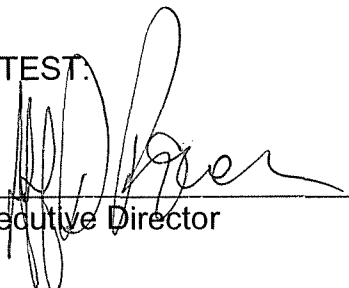
IT IS THEREFORE ORDERED that:

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

² Case No. 2009-00309, Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC d/b/a Mike Little Gas Company, Inc. (Ky. PSC Aug. 6, 2009).

By the Commission

ENTERED *M*
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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST.


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00001 DATED FEB - 2 2010

The following rates and charges are prescribed for the customers in the area served by Kentucky Frontier Gas, LLC d/b/a Mike Little 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.

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$5.50	\$ 4.9442	\$10.4442
Over 1 Mcf	\$4.3271	\$ 4.9442	\$ 9.2713

Dennis R Horner
Kentucky Frontier Gas, LLC
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