

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)
GASCO DISTRIBUTION SYSTEMS, INC.) CASE NO. 2010-00144

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 April 2, 2010, Gasco filed its proposed Gas Cost Recovery ("GCR") rate to be effective May 1, 2010. Gasco filed a revised GCR rate on April 19, 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 \$8.4616 per Mcf, which is a decrease of \$.9039 per Mcf from the previous EGC of \$9.3655 per Mcf.
3. Gasco's notice sets out no current quarter Refund Adjustment.

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).

4. Gasco's notice sets out a current quarter Actual Adjustment ("AA") of \$2.2829 per Mcf. Gasco's total AA is \$3.0652 per Mcf, which is an increase of \$2.5997 per Mcf from its previous total AA of \$.4655 per Mcf.

5. Gasco's notice sets out a current quarter Balance Adjustment ("BA") of (\$.1302) per Mcf. Gasco did not calculate its BA using the 29,304 Mcf sales volumes for the 15 months the \$1.7136 expired AA was in effect. Correcting for this produces a current quarter BA of (\$.3336) per Mcf. Gasco's total BA is (\$.7784) per Mcf, which is a decrease of \$.3336 per Mcf from its previous total BA of (\$.4448) per Mcf.

6. On February 1, 2010, Gasco ceased to charge a previous quarter AA in the amount of \$1.1655 per Mcf which was approved to be charged for 10 years beginning December 12, 2000 in Case No. 1994-00427-A.² The \$1.1655 BA was calculated to collect under-recoveries of gas cost in the amount of \$219,528. In Gasco's next filing for its GCR rate to be effective August 1, 2010, Gasco should file the amount of its Mcf sales volumes from December 12, 2000 through January 31, 2010 in order to true up through the BA any under/over-recoveries of the total cost difference of \$219,528.

7. Gasco's GCR is \$10.7484 per Mcf, which is an increase of \$1.3622 per Mcf from its previous rate of \$9.3862 per Mcf.

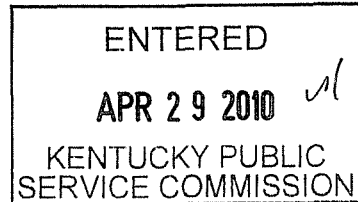
8. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Gasco on and after May 1, 2010.

² Case No. 1994-00427-A, The Notice of Gas Cost Recovery Filing of Gasco Distribution Systems, Inc. (Ky. PSC Dec. 12, 2000).

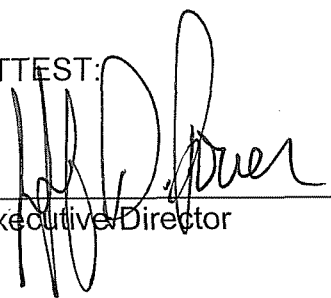
IT IS THEREFORE ORDERED that:

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

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00144 DATED APR 29 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	\$10.7484	\$15.3684
Commercial	\$3.62	\$10.7484	\$14.3684

Trina L King
Secretary
Gasco Distribution Systems, Inc.
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