

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF KENTUCKY FRONTIER) CASE NO. 2010-00258
GAS, LLC DBA 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 June 29, 2010, Mike Little filed its proposed GCA to be effective August 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 \$7.2519 per Mcf. Mike Little failed to use the most current Intrastate Utility Service ("IUS") rate from its supplier, Columbia Gas of Kentucky, Inc., in calculating its EGC. Using the current

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).

IUS rate of \$5.1919 per Mcf produces an EGC of \$6.8165 per Mcf, which is a decrease of \$.0327 per Mcf from the previous EGC of \$6.8492 per Mcf.

3. Mike Little's notice sets out no current quarter Refund Adjustment ("RA") and it had no RAs from previous quarters.

4. Mike Little's notice sets out a current quarter Actual Adjustment ("AA") of \$.7370 per Mcf. Mike Little did not use the "EGC in effect for month" of \$7.1329 approved for rates effective February 3, 2010 in Case No. 2010-00001² in calculating the cost differences for February, March, and April 2010. Correcting this results in a current quarter AA of \$.6188 per Mcf. Mike Little's total AA of \$1.3600 per Mcf is an increase of \$2.6850 per Mcf from the previous total AA of (\$1.3250) per Mcf.

5. Mike Little's GCA rate is \$8.1765 per Mcf, which is an increase of \$2.6523 per Mcf from the previous rate of \$5.5242 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 August 1, 2010.

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 August 1, 2010.

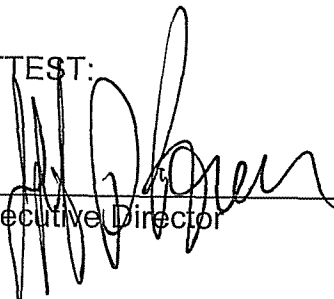
² Case No. 2010-00001, Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC DBA Mike Little Gas Company, Inc. (Ky. PSC Feb. 2, 2010).

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

By the Commission

ENTERED *ew*
JUL 29 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00258 DATED **JUL 29 2010**

The following rates and charges are prescribed for the customers in the area served by 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>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$5.50	\$ 8.1765	\$13.6765
Over 1 Mcf	\$4.3271	\$ 8.1765	\$12.5036

Dennis R Horner
Kentucky Frontier Gas, LLC
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