

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MIKE) CASE NO. 9535-E
LITTLE GAS COMPANY, INC.)

O R D E R

On September 17, 1986, the Commission issued its Order in Case No. 9535 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received. On June 22, 1988, the Commission issued its Order in Case No. 10147¹ allowing Mike Little Gas Company, Inc. ("Mike Little"), to restate its wholesale base rate from a Dth basis to a Mcf basis and to file a purchased gas adjustment ("PGA") for each supplier change, but to file not less than twice a year to reflect changes in gas costs due to changes in the heating content of the gas.

On July 5, 1988, Mike Little notified the Commission of a change in rates based on its most recent 12-month purchases from its supplier, Kentucky-West Virginia Gas Company ("Kentucky-West") to reflect changes in gas costs due to changes in heating content. Mike Little requested that its proposed rates be made effective retroactively to June 22, 1988.

¹ Mike Little Gas Company, Inc., For Restatement Of Its Purchased Gas Adjustment Clause.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mike Little's notice of July 5, 1988 set out certain revisions in rates which Mike Little proposed to place into effect, said rates being designed to pass on the increase in gas costs due to the increased heating content of the gas. In computing the change in rates, Mike Little incorrectly added the Gas Research Institute charge of \$0.0172 per Dth to the wholesale rate of Kentucky-West. The rates in the Appendix to this Order reflect the correct increase of \$.2427 per Mcf.

(2) A legislative change in KRS Chapter 278, effective July 15, 1986, requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the required period to 20 days upon showing of good cause. Reduction in rates will, as always, be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice provided that: 1) the effective date from the supplier is not more than 20 days in the future, in which case the actual effective date will be used, and 2) the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause for 20-days' notice. However, since the proposed increase is not due to a supplier change but to a change in the PGA methodology pursuant to Case No. 10147, the Commission will allow 20 days' notice. The effective date will, therefore, be 20 days after Mike Little's notice, or July 25, 1988.

(3) Mike Little's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9535 dated September 17, 1986 and Case No. 10147 dated June 22, 1988 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after July 25, 1988.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after July 25, 1988.

(2) Within 30 days of the date of this Order Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 22nd day of July, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9535-E DATED 7/22/88

The following rates and charges are prescribed for the customers 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 this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf - Minimum Bill	\$5.8827 Per Mcf
All Over 1 Mcf	5.6656 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Mike Little Gas Company, Inc. shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$2.6023 per Dth

*Including \$0.0172 Gas Research Institute Funding Charge