

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE RATES OF)	CASE NO. 10415
JOHNSON COUNTY GAS COMPANY, INC.)	

O R D E R

IT IS ORDERED that Johnson County Gas Company, Inc. ("Johnson County") shall file the original and 12 copies of the following information with the Commission within 7 days of the date of this Order.

1. In Johnson County's motion to dismiss the instant investigation filed July 20, 1990, Johnson County makes several references to the \$7,000 which is "the difference in the present position of Johnson County and the Commission Staff."¹ The \$7,000 is the approximate decrease in revenues for Johnson County recommended in the Staff Report of March 2, 1990. The \$7,000 was derived from the difference between Johnson County's test year normalized revenues and the Staff-recommended revenue requirement. In its motion of July 20, 1990, Johnson County agreed "to establish a base rate for the cost of gas for further purchase gas adjustment filings as of the date of the dismissal of this

¹ Motion to Set Aside Order of the Commission Dated November 9, 1988 and to Dismiss Pending Investigation filed July 20, 1990, An Investigation of the Rates of Johnson County Gas Company, Inc., paragraphs 4 and 5.

investigation."² Based on the facts that 1) Johnson County refers four times in its motion to the \$7,000 difference in Staff recommendation and utility position, 2) Staff recommendation is based on February 1, 1990 gas costs, and 3) Johnson County is proposing to leave rates at current levels, the Commission assumes that Johnson County is agreeing to establish its base rate for the cost of gas at the February 1, 1990 levels set forth in the Staff Report.

a. Confirm or refute the Commission's assumption that Johnson County is agreeing in its motion to preserve the difference of \$7,000 by accepting the cost of purchased gas at February 1, 1990 levels in this proceeding, and then immediately filing a purchased gas adjustment to reflect the most recent supplier rates.

b. If Johnson County is not agreeing to accept and set purchased gas cost at February 1, 1990 levels, provide what cost of gas level Johnson County intended to use as described in its motion. At that level of gas cost as contemplated in the motion, calculate and provide the amount of the resulting difference between Johnson County's test year normalized revenues and a revenue requirement calculated using Staff recommended levels of return and operating expenses other than the cost of purchased gas.

² Motion filed July 20, 1990, paragraph 8.

Done at Frankfort, Kentucky, this 7th day of August, 1990.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director