

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT            )  
FILING OF JOHNSON COUNTY GAS            )    CASE NO. 10415-Q  
COMPANY, INC.                                )

O R D E R

On April 24, 1991, the Commission issued its Order in Case No. 91-004 approving adjustments to the rates of Johnson County Gas Company, Inc. ("Johnson County") on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On February 25, 1994, Johnson County filed its quarterly GCA, which is to become effective April 1, 1994 and is to remain in effect until July 1, 1994.

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

1. Johnson County's notice of February 25, 1994 set out certain revisions in rates which Johnson County proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale change in gas costs from its suppliers. Johnson County incorrectly calculated its expected gas cost ("EGC") by using volumes stated in Mcf rather than Dth for costs from Kentucky West Virginia Gas Company ("Ky. West"). Johnson County's EGC should be \$3.7157 per Mcf.

2. Johnson County's EGC includes purchases from Ky. West under its SSS Rate Schedule. Johnson County should inform the Commission in its next GCA filing of how much longer Ky. West will be offering this sales service and what Johnson County intends to do to replace it when that becomes necessary.

3. Johnson County's notice set out no refund adjustment.

4. Johnson County proposed an actual adjustment ("AA") in the amount of (13.4) cents per Mcf to compensate for over-recovery of gas cost through the operation of its gas cost recovery procedure during the months of October, November, and December 1993. Johnson County's total AA of (57.60) cents per Mcf is designed to correct the current over-recovery as well as under- and over-recoveries from previous quarters.

5. Johnson County's notice set out a current quarter balance adjustment ("BA") in the amount of .10 cent per Mcf. Johnson County's total BA of .22 cent per Mcf is designed to incorporate the current and previous quarters' BA.

6. The combined effect of the above adjustments is Johnson County's corrected gas cost recovery rate ("GCR") in the amount of \$3.1419 per Mcf, which is a decrease of 22.61 cents per Mcf from its last approved rates.

7. Johnson County's adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 91-004 dated April 24, 1991, is fair, just, and reasonable, in the public interest, and

should be effective with service rendered on and after April 1, 1994.

IT IS THEREFORE ORDERED that:

1. Johnson County's proposed rates be and they hereby are denied.

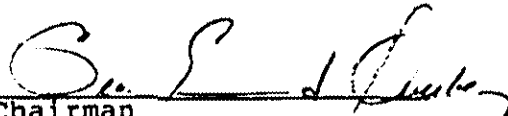
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with service rendered on and after April 1, 1994.

3. Within 30 days of the date of this Order, Johnson County shall file with this Commission its revised tariffs setting out the rates authorized herein.

4. Johnson County's next GCA filing shall include information concerning Ky. West sales service as directed herein.

Done at Frankfort, Kentucky, this 14th day of March, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 10415-Q DATED March 14, 1994.

The following rates and charges are prescribed for the customers served by Johnson County 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:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Surcharge</u>	<u>Total</u>
Customer Charge				\$3.00
All Mcf	\$2.9871	\$3.1419	\$2.5159	\$8.6449

A surcharge of \$.4155 per Mcf will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.