

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MIKE) CASE NO. 93-400-J
LITTLE GAS COMPANY, INC.)

O R D E R

On December 17, 1993, in Case No. 93-400, the Commission approved the merger of Elzie Neeley Gas Company, Inc. ("Elzie Neeley") and Phelps Gas Company, Inc. ("Phelps") into Mike Little Gas Company, Inc. ("Mike Little") and provided for the adjustment of rates of the merged companies on a quarterly basis in accordance with the provisions of Mike Little's gas cost adjustment ("GCA") clause.

On March 22, 1996, Mike Little filed its GCA to be effective May 1, 1996 until July 31, 1996.

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

1. Mike Little's notice proposed revised rates designed to pass on its expected wholesale increase in gas cost to its customers. Mike Little's expected gas cost ("EGC") for the quarter is \$3.7305 per Mcf.

2. Mike Little's notice set out no current refund adjustment ("RA"). The total RA, which Mike Little omitted, should be the previous quarter RA of .12 cent per Mcf.

3. Mike Little's notice set out a current quarter actual adjustment ("AA") of (8.86) cents per Mcf to return over-recovered gas cost from November and December 1995 and January 1996. The total AA of (6.73) cents per Mcf reflects a net over-recovery for the current and previous three quarters.

4. These adjustments produce a gas cost recovery rate ("GCR") of \$3.6620 per Mcf, 1.1 cents per Mcf less than the prior rate.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for gas supplied on and after May 1, 1996.

6. Mike Little did not include in its filing a report concerning additional customers receiving service along the Joint Venture supply line. It should file this report with the Commission along with a comparison of the IUS rate to other available rates.

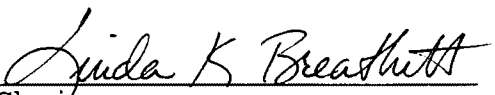
IT IS THEREFORE ORDERED that:


1. The rates proposed by Mike Little are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are effective for gas supplied on and after May 1, 1996.
3. Within 30 days of the date of this Order, Mike Little shall file with the Commission its revised tariffs setting out the rates authorized in this Order.


4. Within 30 days of the date of this Order, Mike Little shall file a report of additional customers receiving service on the new Joint Venture supply line, along with a comparison of the IUS rate to other available rates.

Done at Frankfort, Kentucky, this 1st day of May, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-400-J DATED MAY 1, 1996

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 this Commission prior to the date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$2.8211	\$3.6620	\$6.4831
Over 1 Mcf	2.6040	3.6620	6.2660

RATES FOR CUSTOMERS FORMERLY SERVED BY ELZIE NEELEY GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$3.4984	\$3.6620	\$7.1604
Over 1 Mcf	2.4658	3.6620	6.1278

RATES FOR CUSTOMERS FORMERLY SERVED BY PHELPS GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$4.3971	\$3.6620	\$8.0591
Over 1 Mcf	2.7670	3.6620	6.4290