

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST)
ADJUSTMENT FILING OF)
BURKESVILLE GAS COMPANY, INC.) CASE NO. 90-290-N

ORDER

On October 28, 1992, in Case No. 90-290, the Commission required Burkesville Gas Company, Inc. (Burkesville) to file a quarterly gas cost adjustment (GCA) clause to ensure that its rates reflect its most current cost of gas.

On April 30, 1999, Burkesville filed its GCA to be effective from May 1, 1999 to August 1, 1999.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Burkesville s notice proposed revised rates designed to pass on expected increased wholesale gas cost to its customers. Burkesville s proposed expected gas cost (EGC) is \$4.5299 per Mcf. Burkesville erred in its calculation to adjust its EGC for the maximum five percent line loss that the Commission allows to be collected through the GCA. Allowable Mcf purchases should have been calculated as 47,189 Mcf instead of 49,774 Mcf. Correcting for this error produces an EGC of \$4.2947 per Mcf, which is 23.17 cents per Mcf lower than the EGC that was previously in effect for Burkesville.

2. Burkesville had no supplier refunds. Its notice set out no refund adjustment.

3. Burkesville's notice set out a current quarter actual adjustment (AA) of 41.85 cents per Mcf to collect net under-recoveries of gas cost from May 1998 through January 31, 1999. The total AA of 19.20 cents per Mcf includes the current and previous quarter AAs, and represents a decrease of 12.78 cents per Mcf from the previous total AA.

4. These adjustments produce a gas cost recovery rate of \$4.4867 per Mcf, 35.95 cents per Mcf less than the prior rate.

5. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective for service rendered on and after May 1, 1999.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Burkesville are hereby denied.
2. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for service rendered on and after May 1, 1999.
3. Within 30 days of the date of this Order, Burkesville shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of May, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 90-290-N DATED MAY 24, 1999

The following rates and charges are prescribed for the customers served by
Burkesville 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> | Gas Cost Recovery <u>Rate</u> | <u>Total</u> |
|-------------|------------------|-------------------------------------|--------------|
| Residential | \$3.524 | \$4.4867 | \$8.0107 |