

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 October 20, 1999, Burkesville filed its GCA to be effective from November 1, 1999 to January 31, 2000.

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 decreased wholesale gas cost to its customers. Burkesville s proposed expected gas cost (EGC) is \$4.2947 per Mcf. Burkesville erroneously adjusted its EGC for the maximum five percent line loss that the Commission allows to be collected through the GCA. Burkesville should have used actual purchases of 45,706 Mcf since the company did not experience any line loss during this period. Correcting for this error produces an EGC of \$3.7490 per Mcf, which is 54.57 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 (86.68) cents per Mcf to return net over-recoveries of gas cost from February 1999 through July, 1999. Burkesville did not use the correct actual EGC in effect for the last three months of the period. Correcting for this error results in a current AA of (84.90) cents per Mcf. Burkesville's notice proposed a total AA of (44.83) cents per Mcf. Correcting the proposed total AA to include the corrected current AA produces a total AA of (43.05) cents per Mcf. The total AA includes the current and previous quarter AAs, and represents a decrease of 62.25 cents per Mcf from the previous total AA.

4. These adjustments produce a gas cost recovery rate of \$3.3185 per Mcf, \$1.1682 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 November 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 November 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 5th day of November, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 90-290-O DATED NOVEMBER 5, 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	\$3.3185	\$6.8425