

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-V
LITTLE GAS COMPANY, INC.)

ORDER

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 23, 1999, Mike Little filed its GCA to be effective May 1, 1999 until July 31, 1999.

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

1. Mike Little s notice proposes revised rates designed to pass on its expected wholesale change in gas cost to its customers. Mike Little s proposed expected gas cost (EGC) for the quarter is \$4.7954 per Mcf. Mike Little did not use ERI Services, Inc. s April through September rate of \$3.40 per dth for calculating its EGC. Using this rate, and correcting multiplication errors for volumes purchased from

Columbia Gas of Kentucky, yields an EGC of \$4.4226, a decrease of 33.78 cents per Mcf from the previous EGC.

2. Mike Little s notice sets out no current quarter refund adjustment (RA), and it had no RAs remaining from previous quarters.

3. Mike Little s notice sets out a current quarter actual adjustment (AA) of 3.05 cents per Mcf to collect under-recovered gas cost from November and December 1998, and January 1999. The total AA of 13.14 cents per Mcf reflects the net under-recovery of the combined system for the current and previous three quarters, and represents an increase of 12.98 cents per Mcf over the previous AA.

4. These adjustments produce a gas cost recovery rate (GCR) of \$4.5540 per Mcf, 20.80 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, 1999.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Mike Little are denied.
2. The rates in the attached Appendix are fair, just, and reasonable and are effective for gas supplied on and after May 1, 1999.
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.

Done at Frankfort, Kentucky, this 22nd day of April, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 93-400-V DATED APRIL 22, 1999

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.

Monthly:

		<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf	Minimum Bill	\$2.8211	\$4.5540	\$7.3751
Over 1 Mcf		2.6040	4.5540	7.1580

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	\$4.5540	\$8.0524
Over 1 Mcf		2.4658	4.5540	7.0198

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	\$4.5540	\$8.9511
Over 1 Mcf		2.7670	4.5540	7.3210

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING

Case No. 93-400-V

Filing Date March 23, 1999

Utility Mike Little Gas Company, Inc.

Effective Date Calendar Quarter Beginning May 1, 1999

Wholesale Gas Supplier Equitable Resources Marketing Company
Columbia Gas of Kentucky, Inc.
Kinzer-Timmus-Greer Joint Venture

Wholesale Rate Change 33.78 cents per Mcf Decrease

Retail Rate Change 20.80 cents per Mcf Decrease

Gas Cost Recovery Components:

EGC	\$4.4226
RA	.0000
AA	<u>.1314</u>
GCR	\$4.5540