

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST)
ADJUSTMENT FILING OF) CASE NO. 90-290-P
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 May 8, 2000, Burkesville filed an out-of-time GCA to be effective from June 1, 2000 to July 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 increased wholesale gas cost to its customers. Burkesville's proposed expected gas cost ("EGC") is \$5.0526 per Mcf, which is \$1.3036 per Mcf higher 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 (36.19) cents per Mcf to return net over-recoveries of gas cost from August 1999

through April, 2000. Burkesville should have included only the months August 1999 through January 2000 in its calculation of the AA. Information for the three-month reporting period ending April 30, 2000 should be included in Burkesville's filing on July 1, 2000 for rates to be effective August 1, 2000. Burkesville also did not use the \$4.2947 actual EGC in effect for August, September, and October in calculating the under-recovery for these months. Correcting for these errors results in a total cost difference of (\$16,976). Dividing by 12 months sales ended January 31, 2000, the current AA is (36.22) per Mcf. Burkesville's notice proposed a total AA of (79.24) cents per Mcf. Correcting the proposed total AA to include the corrected current AA and substituting the second previous quarter actual adjustment of (.8490) for the second previous quarter total AA of (43.05) produces a total AA of (\$1.2112) per Mcf. This represents a decrease of 78.07 cents per Mcf from the previous total AA.

4. These adjustments produce a gas cost recovery rate of \$3.8414 per Mcf, 52.29 cents per Mcf more 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 June 1, 2000.

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 June 1, 2000.
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 1st day of June, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 90-290-P DATED JUNE 1, 2000

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	\$3.8414	\$7.3654