

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST)
ADJUSTMENT FILING OF) CASE NO. 90-290-Q
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 June 5, 2000, Burkesville filed a revised GCA to be effective from June 1, 2000 to July 31, 2000 to correct certain information submitted in its most recent GCA effective June 1, 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 \$5.8316 per Mcf, which includes an increase of 74 cents per Mcf in the transportation rate charged by Apache Gas. Apache Gas currently has an application before the Commission to increase its rate, however, the new rate has not yet been approved and should not be included in Burkesville's EGC. Removing the Apache Gas

increase from the proposed EGC produces the same EGC of \$5.0526 per Mcf as in the last approved rate for Burkesville.

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

3. Burkesville's notice set out a total actual adjustment ("AA") of 17.74 cents per Mcf which included a current quarter AA of 60.79 cents per Mcf to collect net under-recoveries of gas cost from August 1999 through April 2000. The proposed total AA reflected an increase of \$1.0338 per Mcf from the previous total AA. Burkesville should have included only the months August 1999 through January 2000 in its calculation of the current AA. Information for the three-month reporting period ending April 30, 2000 should be included in Burkesville's next scheduled GCA filing. In addition, Burkesville used \$3.749 as the EGC in effect for August, September, and October 1999 in calculating the over-recovery for those three months rather than the actual EGC of \$4.2947 in effect for those months. Burkesville's revised GCA corrected the actual cost of purchased gas to include approved transmission costs and also corrected the actual sales volumes from those in the GCA in effect June 1, 2000. Correcting for these errors results in a total cost difference of \$11,318.54. Dividing by 12 months sales of 49,895 Mcf for the period ended January 31, 2000, the current AA is 22.68 cents per Mcf. Correcting the proposed total AA to include the corrected current AA produces a total AA of (20.37) cents per Mcf. This represents an increase of \$1.0075 per Mcf from the previous total AA.

4. These adjustments produce a gas cost recovery rate of \$4.8489 per Mcf, \$1.0075 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 July 5, 2000. Burkesville did not give sufficient notice for the rates to be effective 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 July 5, 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 5th day of July, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-290-Q DATED JULY 5, 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	\$4.8489	\$8.3729