

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF PUBLIC)	CASE NO. 2002-00009
GAS COMPANY)	

ORDER

On October 10, 1987, in Case No. 9565, the Commission approved rates for Public Gas Company (Public) and provided for their further adjustment in accordance with Public s gas cost adjustment (GCA) clause.

On January 3, 2002, Public filed its GCA to be effective February 1, 2002. As this filing results in a rate decrease, the 30-day notice requirement set out in KRS 278.180(1) is not controlling, since KRS 278.180(2) permits a rate decrease to be implemented within a lesser period of time.

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

1. Public s notice includes revised rates designed to pass on to its customers its expected increase in wholesale gas costs. Public s proposed expected gas cost (EGC) is \$5.44 per Mcf, which is an increase of 6.03 cents per Mcf from the previous EGC of \$5.3797.
2. Public s notice sets out no current quarter refund adjustment.
3. Public s notice sets out a current quarter actual adjustment (AA) of (7.97) cents per Mcf to return over-recovered gas costs from August, September and October 2001. Public incorrectly used its GCA rather than its EGC in calculating its current

quarter AA. Public's total AA is 8.27 cents per Mcf, which is 7.97 cents per Mcf less than the previous total AA.

4. Public's GCA is \$5.5227 per Mcf, which is 1.94 cent per Mcf less than the previous GCA of \$5.5421.

5. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied by Public on and after February 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Public are denied.
2. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for gas supplied on and after February 1, 2002.
3. Within 20 days of the date of this Order, Public shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of January, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00009 DATED January 24, 2002

The following rates and charges are prescribed for the customers served by Public Gas Company. 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 effective date of this Order.

Rates:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.2705	\$5.5227	\$8.7932
Over 1 Mcf	\$2.1505	\$5.5227	\$7.6732