

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 2002-00336
LITTLE GAS COMPANY, INC.)	

ORDER

On December 17, 1993, in Case No. 1993-00400, 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 Mike Little s gas cost adjustment (GCA) clause. On April 30, 2001, the Commission approved the transfer of the Phelps portion of the Mike Little system to People s Gas, Inc.

On September 20, 2002, Mike Little filed its proposed GCA to be effective November 1, 2002.

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

1. Mike Little s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Mike Little s expected gas cost (EGC) is \$5.5479 per Mcf, which is a decrease of 18.54 cents per Mcf from the previous EGC of \$5.7333.
3. Mike Little s notice sets out no current quarter refund adjustment (RA), and it had no RAs remaining from previous quarters.

4. Mike Little's notice sets out a current quarter actual adjustment (AA) of .39 cent per Mcf to collect under-recovered gas cost from May, June and July 2002. Mike Little's notice sets out a total AA of (\$1.3683). Mike Little incorrectly calculated its adjustment to its third previous quarter. Correcting for this error results in a total AA of (\$1.3713) per Mcf, which is a decrease of 30.94 cents per Mcf from the previous total AA.

5. Mike Little's GCA is \$4.1766 per Mcf, which is 49.48 cents per Mcf less than the previous rate of \$4.6714.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered by Mike Little on and after November 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after November 1, 2002.

2. Within 20 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 16th day of October, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00336 DATED October 16, 2002

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	\$4.1766	\$6.9977
Over 1 Mcf		2.6040	4.1766	6.7806

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	\$4.1766	\$7.6750
Over 1 Mcf		2.4658	4.1766	6.6424