

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF JEFFERSON)
GAS TRANSMISSION COMPANY) CASE NO. 2002-00362

ORDER

On February 16, 1999, in Case No. 1998-00499, the Commission approved rates for Jefferson Gas Transmission Company (Jefferson) and provided for their further adjustment in accordance with Jefferson s gas cost adjustment (GCA) clause.

On October 1, 2002, Jefferson 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. Jefferson s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Jefferson s proposed expected gas cost (EGC) is \$3.3869 per Mcf, which is \$1.0240 per Mcf more than the previous EGC of \$2.3629.
3. Jefferson s notice sets out no current quarter refund adjustment.
4. Jefferson s notice sets out a current quarter actual adjustment (AA) of (.9) cent per Mcf to return over-recovered gas costs from May, June and July 2002. Jefferson reversed a sign in its calculation of the monthly cost difference for July. Correcting for this error produces a current quarter AA of (1.31) cent per Mcf. Jefferson s total AA is (31.76) cents per Mcf, which is 1.31 cents per Mcf less than the previous total AA.

5. Jefferson's GCA is \$3.0693 per Mcf, which is \$1.0109 cents per Mcf more than the previous GCA of \$2.0584.

6. 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 Jefferson on and after November 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for gas supplied by Jefferson on and after November 1, 2002.

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

Done at Frankfort, Kentucky, this 18th day of October, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00362 DATED OCTOBER 18, 2002

The following rates and charges are prescribed for the customers served by Jefferson Gas Transmission 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	\$3.89	\$3.0693	\$6.9593
Over 1 Mcf	\$2.26	\$2.0584	\$5.3293

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Jefferson Gas Transmission Company

Case No.: 2002-00362
Filing Date: October 1, 2002
Proposed Effective Date: November 1, 2002
Approved Effective Date: November 1, 2002

Wholesale Gas Suppliers: Jefferson Gas Transmission Co.

Wholesale Rate: Increased \$1.0240 per Mcf
Retail Rate: Increased \$1.0109 per Mcf

Components of the Gas Cost Adjustment:

Expected Gas Cost	\$3.3869
Actual Adjustment	(.3176)
Balance Adjustment	-----
<u>Refund Factor</u>	-----
Total GCA	\$3.0693

Prepared by: Daryl Newby

Date: October 15, 2002