

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MATRIKS ENERGY, LLC     )  
TO ADJUST RATES PURSUANT TO             )     CASE NO. 2003-00398  
KRS 278.485                                     )

O R D E R

On October 29, 2003, Matriks Energy, LLC ( Matriks ) submitted a proposed tariff to the Commission for an adjustment of rates. Matriks operates a gathering system in Boyd County, Kentucky and serves 49 customers pursuant to KRS 278.485.

807 KAR 5:026, Section 9, provides that a company providing gas service to customers pursuant to KRS 278.485 may seek an adjustment of rates for its service to those customers by submitting a proposed tariff. The Commission established this proceeding to investigate the reasonableness of Matriks proposed tariff revisions.

In its filing, Matriks stated that its accounting records are not maintained in sufficient detail to provide the information required by 807 KAR 5:026, Section 9(b), which requires a gas gathering system to submit cost data when it seeks to adjust its rates. Such data is to include its costs to provide service during each of the previous 2 years. Matriks further stated that the cost justifications provided in its application were based on its best estimates of time and materials used to provide service to its residential customers. The Commission granted Matriks deviation request November 17, 2003. Matriks submitted additional information in support of its rate adjustment on December 10, 2003 in response to Commission Staff s December 1, 2003 data request.

The rate of \$4.3292 per Mcf currently charged by Matriks was established by Columbia Natural Resources ( CNR ) in October 1992 and was adopted by Matriks when it acquired CNR s associated assets in 2001. In its proposed tariff, Matriks seeks to increase its rate to \$8.00 per Mcf, which is comprised of non-gas costs of \$2.46 per Mcf and a gas cost rate of \$5.54 per Mcf.

The Commission, based on its review of Matriks filing and data responses and being otherwise sufficiently advised, finds that Matriks proposed tariff is consistent with the Commission s statutes and regulations governing rates for natural gas gathering systems and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. The rates in the appendix to this Order are approved for service rendered on and after the date of this Order.
2. Within 20 days of the date of this Order, Matriks shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24<sup>th</sup> day of December, 2003.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00398 DATED DECEMBER 24, 2003

The following rates and charges are prescribed for the customers served by Matriks Energy, LLC. 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.

#### CLASSIFICATION OF SERVICE

Gas Rate

\$8.00 / Mcf