

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF PUBLIC)	CASE NO. 2003-00503
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 December 31, 2003, Public filed its proposed GCA to be effective February 1, 2004.

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 change in wholesale gas costs.
2. Public's proposed expected gas cost ("EGC") is \$7.8711 per Mcf, which is an increase of 76.81 cents per Mcf from the previous EGC of \$7.103.
3. Public's notice sets out no current quarter refund adjustment.
4. Public's notice sets out a current quarter actual adjustment ("AA") of (2.34) cents per Mcf. Public incorrectly calculated its cost difference for October 2003. Correcting for this produces a current quarter AA of (1.2) cents per Mcf. Public's total AA is 76.05 cents per Mcf, which is a decrease of 2.78 cents per Mcf from the previous total AA.

5. Public's GCA is \$8.6316 per Mcf, which is 74.03 cents per Mcf more than the previous GCA of \$7.8913.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for gas supplied by Public on and after February 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for billing for service rendered on and after February 1, 2004.

2. 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 28th day of January, 2004.

By the Commission

ATTEST:

Wm. H. I. Barber

Deputy Executive Director

Case No. 2003-00503

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00503 DATED January 28, 2004

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	\$8.6316	\$11.9021
Over 1 Mcf	\$2.1505	\$8.6316	\$10.7821