

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF JOHNSON)	CASE NO. 2004-00239
COUNTY GAS COMPANY, INC.)	

ORDER

On September 1, 1999, in Case No. 1999-00155, the Commission approved rates for Johnson County Gas Company, Inc. (“Johnson County”) and provided for their further adjustment in accordance with Johnson County’s gas cost adjustment (“GCA”) clause.¹

On June 10, 2004, Johnson County filed its proposed GCA to be effective July 1, 2004. Johnson County requests a waiver of the 30-day notice period because it did not receive its expected gas rates from its supplier until after June 1, 2004. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

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

1. Johnson County’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Johnson County proposes an expected gas cost (“EGC”) of \$9.1404, which is \$1.7264 per Mcf more than the previously approved EGC of \$7.4140.

¹ Case No. 1999-00155, Application of Johnson County Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated September 1, 1999.

3. Johnson County's notice sets out no refund adjustment.
4. Johnson County's notice sets out a current quarter actual adjustment ("AA") of 24.7 cents per Mcf. Johnson County's notice sets out a total AA of (21.61) cents per Mcf, which is 82.4 cents per Mcf less than the previous total AA.
5. Johnson County's notice sets a current quarter balancing adjustment ("BA") of 1.06 cent per Mcf. Johnson County's notice sets a total BA of 1.95 cent per Mcf, which is .62 cent per Mcf more than the previous total BA.
6. Johnson County's gas cost recovery rate is \$8.9438 per Mcf, which is 90.86 cents per Mcf more than the previous rate of \$8.0352.
7. Johnson County's commercial rate, set out in its proposed tariff, is incorrect. The rate for all Mcf should be \$15.2480 rather than \$15.898 for the first Mcf and \$14.898 for all volumes over 1 Mcf.
8. Johnson County's adjustment in rates, as corrected in finding paragraph 7, is fair, just, and reasonable, and should be approved for billing for service rendered by Johnson County on and after July 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after July 1, 2004.
2. Within 20 days of the date of this Order, Johnson County shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 29th day of June, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the end, positioned above the text 'Executive Director'.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00239 DATED JUNE 29, 2004

The following rates and charges are prescribed for the customers in the area served by Johnson County 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 effective date of this Order.

RATES:

Residential

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
Minimum Bill 0-1 Mcf	\$6.9542	\$8.9438	\$15.8980
All additional Mcf	\$5.9542	\$8.9438	\$14.8980

Commercial

<u>Monthly</u>			
All Mcf	\$6.3042	\$8.9438	\$15.2480