

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF MIKE	)	CASE NO. 2008-00108
LITTLE GAS COMPANY, INC.	)	

ORDER

On October 22, 2003, in Case No. 2003-00141,<sup>1</sup> the Commission approved rates for Mike Little Gas Company, Inc. ("Mike Little"), and provided for their further adjustment in accordance with Mike Little's Gas Cost Adjustment ("GCA") clause.

On March 24, 2008, Mike Little filed its proposed GCA to be effective May 1, 2008.

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 notice sets out an Expected Gas Cost ("EGC") of \$10.155 per Mcf. Mike Little calculated the adjustment for its line loss incorrectly. Correcting for this error produces an EGC of \$11.2626, which is an increase of \$.9036 per Mcf from the previous EGC of \$10.359.
3. Mike Little's notice sets out no current quarter Refund Adjustment ("RA"), and it had no RAs from previous quarters.

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<sup>1</sup> Case No. 2003-00141, Application of Mike Little Gas Company, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

4. Mike Little's notice sets out a current quarter Actual Adjustment ("AA") of \$.106 per Mcf. Mike Little incorrectly calculated its total sales and unit cost of gas for the month of January 2008.<sup>2</sup> Correcting for this produces a current quarter AA of \$.0991 per Mcf and a total AA of \$1.6927 per Mcf, which is a decrease of \$.9831 per Mcf from the previous total AA.

5. Mike Little's Gas Cost Adjustment Rate is \$12.9553 per Mcf, which is \$.0795 per Mcf less than the previous rate of \$13.0348.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Mike Little on and after May 1, 2008.

IT IS THEREFORE ORDERED that:

1. Mike Little's proposed rates are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after May 1, 2008.
3. 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.

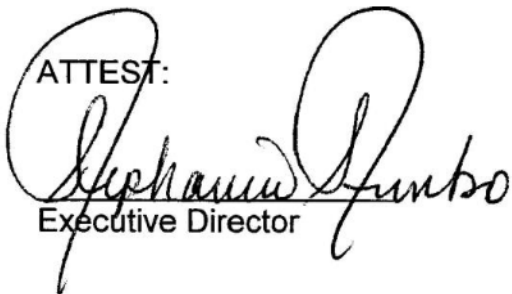
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<sup>2</sup> Total sales should be 4367.7 Mcf and the unit cost should be \$10.2984 per Mcf.

Done at Frankfort, Kentucky, this 14<sup>th</sup> day of April, 2008.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00108 DATED APRIL 14, 2008

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 the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$5.50	\$12.9553	\$18.4553
Over 1 Mcf	\$4.3271	\$12.9553	\$17.2824