

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COW)	
CREEK GAS, INC., FORMER)	CASE NO. 2008-00197
SIGMA GAS CORPORATION)	
CUSTOMERS)	

ORDER

On June 8, 2006, in Case No. 2006-00171,¹ the Commission approved rates for Cow Creek Gas, Inc. (“Cow Creek”) and provided for their further adjustment in accordance with Cow Creek’s Gas Cost Adjustment (“GCA”) clause. On January 12, 2008, Cow Creek acquired the assets of the former Sigma Gas Corporation (“Sigma”) and adopted Sigma’s tariffs for furnishing natural gas to Sigma customers in Johnson, Floyd and Magoffin counties.²

On May 30, 2008, Cow Creek filed its proposed GCA, to be applied only to the former Sigma customers, effective July 1, 2008.

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

1. Cow Creek’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

¹ Case No. 2006-00171, Application of Cow Creek Gas, Inc. for Authority to Adjust Its Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

² Case No. 2007-00419, Application of DLR Enterprises, Inc. and Cow Creek Gas, Inc. for Approval of the Transfer of Certain Assets Formerly Owned and Controlled by Sigma Gas Corporation, Order dated November 21, 2007.

2. Cow Creek's notice sets out an Expected Gas Cost ("EGC") of \$13.35 per Mcf, which is \$2.0187 per Mcf more than the previous EGC of \$11.3313.

3. Cow Creek's notice sets out no current quarter Refund Adjustment ("RA"). Cow Creek's notice sets out no total RA, which is no change from the previous total RA.

4. Cow Creek's notice sets out no current quarter Actual Adjustment ("AA"). Cow Creek's total AA is \$0 per Mcf, which is no change from the previous total AA.

5. Cow Creek's notice sets out no Balance Adjustment ("BA"). Cow Creek's notice sets out no total BA, which is no change from the previous BA.

6. Cow Creek's GCA is \$13.35 per Mcf, which is \$2.0187 per Mcf more than the previous GCA of \$11.3313.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Cow Creek on and after July 1, 2008.

IT IS THEREFORE ORDERED that:

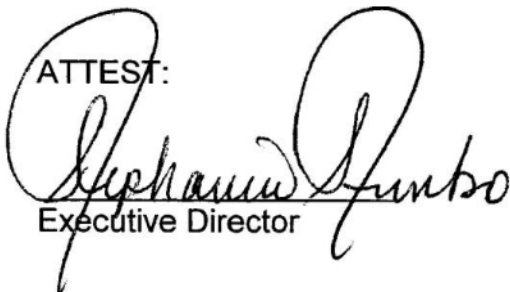
1. The rates in the Appendix to this Order are approved for billing for service rendered on and after July 1, 2008.

2. Within 20 days of the date of this Order, Cow Creek shall file with this Commission revised tariffs for its Sigma customers setting out the rates approved herein.

Done at Frankfort, Kentucky, this 11th day of June, 2008.

By the Commission

ATTEST:

A handwritten signature in cursive script, appearing to read "Stephen Gumbo". The signature is written in black ink and is positioned over the printed name and title.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00197 DATED JUNE 11, 2008

The following rates and charges are prescribed for the customers in the area formerly served by Sigma Gas Corporation and now served under the name Cow Creek Gas, 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.

RATE SCHEDULES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
First Mcf	\$6.2500	\$13.35	\$19.60
Over 1 Mcf	\$4.5522	\$13.35	\$17.9022
Minimum Bill	\$19.60		