

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST)
ADJUSTMENT FILING OF) CASE NO. 2008-00314
BURKESVILLE GAS COMPANY, INC.)

ORDER

On November 20, 2000, in Case No. 2000-00158,¹ the Commission approved rates for Burkesville Gas Company, Inc. (“Burkesville”) and provided for their further adjustment on a quarterly basis in accordance with Burkesville’s gas cost adjustment (“GCA”) clause.

On August 4, 2008, Burkesville filed its proposed GCA to be effective September 1, 2008. Burkesville’s tariff does not allow for a notice period of less than 30 days. Since the Commission did not receive Burkesville’s filing until August 4, 2008, the effective date of this GCA can be no sooner than September 3, 2008, rather than September 1, 2008.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Burkesville’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Burkesville’s proposed expected gas cost (“EGC”) is \$16.0142 per Mcf, which is \$.5825 per Mcf more than the prior EGC of \$15.4317.

¹ Case No. 2000-00158, The Application of Burkesville Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

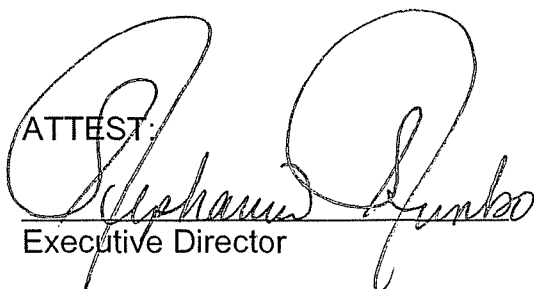
3. Burkesville's notice sets out no refund adjustment.
4. Burkesville's notice sets out a current actual adjustment ("AA") of \$1.1170 per Mcf. Burkesville incorrectly calculated its monthly cost difference for June 2008. Correcting for this produces a current quarter AA of \$.8434 per Mcf. Burkesville's total AA is (\$2.1706) per Mcf, which is an increase of \$.8434 per Mcf from the previous total AA.
5. Burkesville's GCA is \$13.8436 per Mcf, which is \$1.4259 per Mcf more than the previous rate of \$12.4177.
6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Burkesville on and after September 3, 2008.

IT IS THEREFORE ORDERED that:

1. Burkesville'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 September 3, 2008.
3. Within 20 days of the date of this Order, Burkesville shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 26th day of August, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00314 DATED AUGUST 26, 2008

The following rates and charges are prescribed for the customers served by Burkesville 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.

RATES:

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Residential	\$4.25	\$13.8436	\$18.0936
Industrial	\$3.90	\$13.8436	\$17.7436