

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT                    )  
FILING OF JOHNSON COUNTY                    )    CASE NO. 2012-00542  
GAS COMPANY                                        )

ORDER

On September 1, 1999, in Case No. 1999-00155,<sup>1</sup> 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.

On December 10, 2012, Johnson County filed its GCA to be effective January 1, 2013. Johnson County filed supplemental information in support of its gas cost on December 21, 2012. On January 7, 2013, the Commission issued its Order suspending Johnson County’s proposed rates through June 4, 2013.

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’s notice sets out an Expected Gas Cost (“EGC”) of \$6.4335 per Mcf, based on a past supplier rate of \$8.50 per Mcf for a portion of its volumes purchased from Johnson County’s supplier Bradco, with the remainder of its

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<sup>1</sup> Case No. 1999-00155, Alternative Rate Filing of Johnson County Gas Company, Inc. (Ky. PSC Sept. 1, 1999).

volumes purchased from Bradco priced at its current contract rate of \$6.00 per Mcf. The EGC also reflects volumes purchased from Johnson County's supplier Hall, Stephens & Hall [an affiliate, pursuant to 278.010(18)] at the current contract rate of \$6.00 per Mcf. Johnson County's EGC should be \$5.9309 per Mcf, with all expected purchases from Bradco priced at the current contract rate of \$6.00 per Mcf. This represents an increase of \$.7854 per Mcf from its previous EGC of \$5.1455 per Mcf.

3. Johnson County's notice sets out no current quarter Refund Adjustment.

4. Johnson County's notice sets out a current quarter Actual Adjustment ("AA") in the amount of \$.7332 per Mcf, which is calculated to reconcile recoveries of gas cost for the nine months ending September 30, 2012. Correcting Johnson County's July 2012 monthly cost difference based on invoices provided by Johnson County for actual gas cost from both Bradco and Hall, Stephens & Hall produces a current AA of \$.7797 per Mcf. Johnson County's total AA of \$.4831 per Mcf represents an increase of \$.7797 from Johnson County's previous total AA of (\$.2966) per Mcf.

5. Johnson County's notice contained a spread sheet error related to a proposed Balance Adjustment of \$623.55, which should not be included in the calculation of its GCA rate.

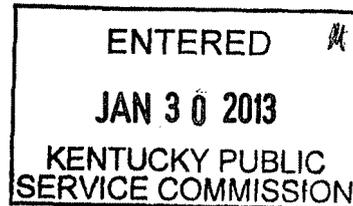
6. Johnson County's GCA is \$6.4140 per Mcf, which is an increase of \$1.5651 per Mcf from its previous GCA of \$4.8489 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Johnson County on and after the date of this Order.

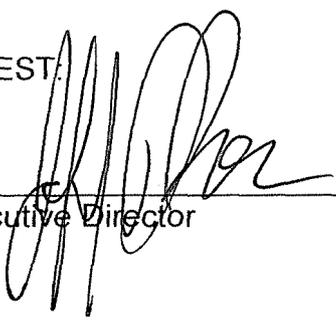
IT IS THEREFORE ORDERED that:

1. The rates proposed by Johnson County are denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for service rendered on and after the date of this Order.
3. Within 20 days of the date of this Order, Johnson County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:

  
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Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00542 DATED **JAN 30 2013**

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

RATES:

Residential

| <u>Monthly</u>       | <u>Base Rate</u> | <u>Gas Cost<br/>Recovery<br/>Rate</u> | <u>Total<br/>Rate</u> |
|----------------------|------------------|---------------------------------------|-----------------------|
| Minimum Bill 0-1 Mcf | \$6.9542         | \$6.4140                              | \$13.3682             |
| All additional Mcf   | \$5.9542         | \$6.4140                              | \$12.3682             |

Commercial

| <u>Monthly</u> |          |          |           |
|----------------|----------|----------|-----------|
| All Mcf        | \$6.3042 | \$6.4140 | \$12.7182 |

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