



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

John W. Clay  
Commissioner

February 9, 2009

Ms. Trina King, Secretary  
Gasco Distribution Systems, Inc.  
4445 East Pike  
Zanesville, Ohio 43701

Dear Ms. King,

In reviewing the surcharge information filed by Gasco Distribution Systems, Inc. ("Gasco") in its most recent gas cost adjustment filing, it was discovered that Gasco is not charging the surcharge approved in Case No. 2008-00096 to two large-use customers.

Absent a special contract approved by the Commission, Gasco must charge all customers the same rate. To do otherwise results in discrimination of service in violation of KRS 278.160(2). Gasco must charge these two customers for the surcharge prospectively. In addition, Gasco must back bill the customers for the amount of the surcharge that would have been charged had they been billed since the inception of the surcharge.

Gasco may file special contracts for these customers with the Commission for review, which could allow the omission of the surcharge. However, in order to obtain Commission approval of these contracts, Gasco would have to demonstrate that the circumstances of these two customers warrant an exemption from the rates and services as filed in the utilities general rates.

If you have any questions, please feel free to call me at (502) 564-3940, ext. 261.

Very truly yours,

A handwritten signature in black ink, appearing to read "James R. Goff".

James R. Goff  
Staff Attorney

cc: 2008-00096 Main Case File