

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------|---|---------------------|
| PURCHASED GAS ADJUSTMENT |) | |
| FILING OF BURKESVILLE GAS |) | CASE NO. 2010-00259 |
| COMPANY, INC. |) | |

ORDER

On October 31, 2008, in Case No. 2008-00032,¹ the Commission approved rates for Burkesville Gas Company, Inc. (“Burkesville”) and provided for their further adjustment on a monthly basis in accordance with Burkesville’s Gas Cost Adjustment (“GCA”) clause.

On June 30, 2010, Burkesville filed its proposed GCA to be effective August 1, 2010.

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 \$8.2884 per Mcf, which is an increase of \$.0662 per Mcf from the prior EGC of \$8.2222 per Mcf.
3. Burkesville’s notice sets out no Refund Adjustment.

¹ Case No. 2008-00032, Application of Burkesville Gas Company, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities and for an Increase in Certain Nonrecurring Charges (Ky. PSC Oct. 31, 2008).

4. Burkesville's notice sets out a current Actual Adjustment ("AA") of (\$.6113) per Mcf to return to its customers over-recoveries of gas from the period February 1, 2010 through May 30, 2010. Due to its failure to file its required GCAs, Burkesville's rates have continued to collect expired previous quarter AAs during these months. This has resulted in Burkesville's returning to its customers \$7,807 more than they were entitled to receive through the operation of the AA. Burkesville's current quarter AA should be adjusted to reflect the net under-recovery of gas cost due to unexpired AAs through May 30, 2010. Burkesville's current quarter AA should be (\$.4220) per Mcf. The total AA of (\$3.5107) represents a decrease of \$.4220 per Mcf from the previous total AA of (\$3.0887) per Mcf.

5. Burkesville's GCA is \$4.7777 per Mcf, which is \$.3558 per Mcf less than the previous GCA of \$5.1335 per Mcf.

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 August 1, 2010.

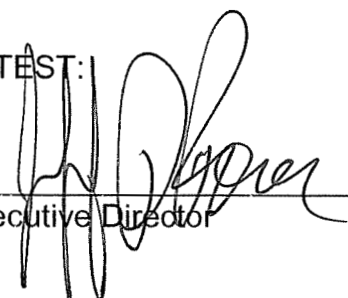
IT IS THEREFORE ORDERED that:

1. Burkesville's proposed rates are hereby denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after August 1, 2010.
3. Within 20 days of the date of this Order, Burkesville shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED
JUL 27 2010 *M*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00259 DATED JUL 27 2010

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:

Customer Charge \$7.50

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|-------------|------------------|---------------------------------------|--------------|
| Residential | \$7.54 | \$4.7777 | \$12.3177 |
| Industrial | \$7.19 | \$4.7777 | \$11.9677 |

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