

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MT.)	CASE NO.
OLIVET NATURAL GAS COMPANY,)	7800-JJ
INC.)	

O R D E R

On October 13, 1980, the Commission issued its Order in Case No. 7800 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On June 20, 1985, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission that it had received refunds from its supplier, Columbia Gas Transmission Corporation ("Transmission").

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mt. Olivet has received refunds in the amount of \$3,592 from its supplier to be refunded to its customers.

(2) A refund factor of 47 cents per Mcf should be used as a reduction in the purchased gas agreement.

(3) The refund factor should remain in effect for 5 months or until such time as the full amount plus interest has been returned to Mt. Olivet's customers.

(4) The refund should begin with meter readings taken on July 1, 1985, or as soon as practical thereafter.

(5) Mt Olivet should refund the amounts reported in its application plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" less 1/2 of 1 percent to cover the costs of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

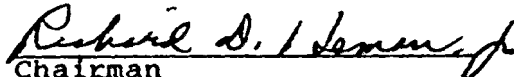
IT IS THEREFORE ORDERED that Mt. Olivet shall apply a refund factor in the amount of 47 cents per Mcf as a reduction in the approved purchased gas adjustment beginning with meter readings taken on July 1, 1985, or as soon as practical thereafter, and this refund factor shall remain in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount received. The refund factor will terminate when the amount refunded equals the refund herein reported plus interest.

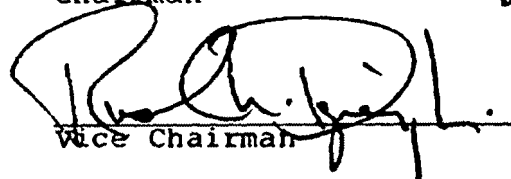
IT IS FURTHER ORDERED that within 30 days of the date the refund factor is terminated Mt. Olivet shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein. All other rates and charges shall remain in full force and effect.

Done at Frankfort, Kentucky, this 12th day of July, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary