

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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

ORDER

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 August 9, 1985, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission in Case No. 7800-KK that its wholesale cost of gas would be increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective September 1, 1985. On August 26, 1985, the Commission granted Mt. Olivet permission to adjust its rates accordingly.

On August 27, 1985, Mt. Olivet requested permission in Case No. 7800-LL to pass on a wholesale increase in price from Transmission to be effective August 1, 1985.

On August 27, 1985, Mt. Olivet also filed Case No. 7800-MM, proposing to revise its rates effective September 1, 1985, said rates being designed to pass on another increase from Transmission.

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

(1) Transmission initially filed an application for increased rates to be effective September 1, 1985, with the Federal Energy Regulatory Commission ("FERC").

(2) Transmission then filed with FERC an application for rates to be effective August 1, 1985, which represented an increase over rates in effect prior to August 1, 1985.

(3) Transmission also filed with FERC for revised rates to be effective September 1, 1985, that represented an additional increase over those to be effective August 1, 1985. These rates were, however, less than those originally approved for September 1, 1985.

(4) The rates Mt. Olivet proposed in Case No. 7800-LL constitute an increase over the rates already in effect for the period August 1, 1985, to August 31, 1985. Mt. Olivet did not give the 20 days notice the Commission requires to increase its rates effective August 1, 1985.

(5) The rates Mt. Olivet proposed in Case No. 7800-MM to be effective September 1, 1985, represent an actual decrease from the rates approved by the Commission on August 26, 1985, to be effective September 1, 1985. The decrease from the rates approved in Case No. 7800-KK is in the amount of \$347, or .8 cents per Mcf.

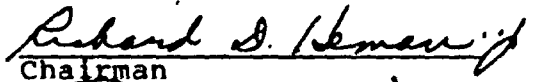
(6) Mt. Olivet's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7800, dated October 13, 1980, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1985.

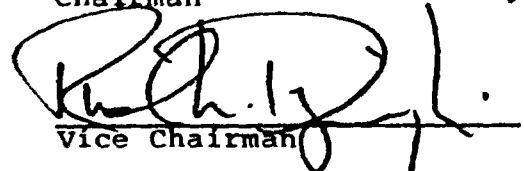
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1985, subject to refund.

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.

Done at Frankfort, Kentucky, this 10th day of September, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 7800-LL and 7800-MM DATED 9/10/85

The following rates are prescribed for the customers served by Mt. Olivet Natural 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.

<u>Rates:</u>	Monthly	
First	1,000 cu. ft. or less	\$7.10 (Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	5.3589
Next	5,000 cu. ft. per 1,000 cu. ft.	5.1589
Next	10,000 cu. ft. per 1,000 cu. ft.	5.0089
Over	20,000 cu. ft. per 1,000 cu. ft.	4.8089

The base rate for the future application of the purchased gas adjustment clause of Mt. Olivet Natural Gas Company, Inc., shall be:

	<u>Demand</u>	<u>Commodity</u>
Columbia Gas Transmission Corporation	-	\$4.0363 per Dth