

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED )  
GAS ADJUSTMENT FILING OF ) CASE NO. 8425-J  
MOUNTAIN UTILITIES, INC. )

O R D E R

On July 6, 1982, the Commission issued its Order in Case No. 8425 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 November 25, 1985, Mountain Utilities, Inc., ("Mountain") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective November 1, 1985, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. Mountain also received a decrease from Kentucky West effective September 1, 1985, for which Mountain did not file.

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

(1) Mountain's notice of November 25, 1985, set out certain revisions in rates which Mountain proposed to place into effect, said rates being designed to pass on the wholesale decrease in gas cost from its supplier in the amount of \$51,475 or 89.14 cents per Dth.

(2) Kentucky West filed an application for decreased rates to become effective November 1, 1985, with the Federal Energy Regulatory Commission ("FERC").

(3) Kentucky West also filed with FERC an application for decreased rates to be effective September 1, 1985.

(4) Mountain should have filed an application to pass along the decrease from its supplier to its customers effective September 1, 1985. Mountain should file with this Commission the excess revenues collected from September 1, 1985, to November 1, 1985, as a result of its failure to pass along its decrease from Kentucky West, along with a plan to refund the excess revenues to its customers.

(5) Mountain's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8425 dated July 6, 1982, is fair, just and reasonable and in the public interest.

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

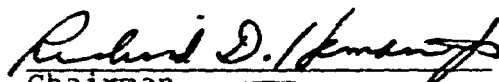
IT IS FURTHER ORDERED that the rates in Appendix B to this Order be and they hereby are authorized effective with gas supplied on and after November 1, 1985.

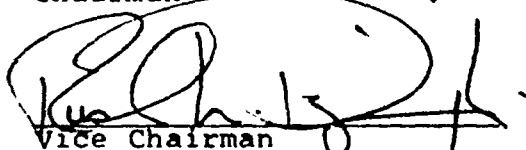
IT IS FURTHER ORDERED that within 30 days of the date of this Order Mountain shall report to the Commission any excess revenues collected during the period from September 1, 1985, to November 1, 1985, and from November 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Mountain shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 6th day of December, 1985.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 8425-J DATED 12/6/85

The following rates and charges are prescribed for the customers served by Mountain Utilities, Inc. 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 effective date of this Order.

RATES: Monthly

First	1 Mcf	\$6.8351 per Mcf
All Over	1 Mcf	6.06 per Mcf

The base rate for the future application of the purchased gas adjustment clause of Mountain Utilities, Inc., shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$3.0327/Dth*

\*Including Gas Research Institute Funding Charge of \$0.0125 per Dth.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 8425-J DATED 12/6/85

The following rates and charges are prescribed for the customers served by Mountain Utilities, Inc. 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 effective date of this Order.

RATES: Monthly

First	1 Mcf	\$6.7242 per Mcf
All Over	1 Mcf	5.9492 per Mcf

The base rate for the future application of the purchased gas adjustment clause of Mountain Utilities, Inc., shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$2.9496/Dth*

\*Including Gas Research Institute Funding Charge of \$0.0125 per Dth.