COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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THE NOTICE OF PURCHASED) GAS ADJUSTMENT FILING OF) CASE NO. PENDLETON COUNTY WATER) 8568-S DISTRICT, GAS DIVISION)

ORDER

On December 8, 1982, the Commission issued its Order in Case No. 8568 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 March 26, 1985, Pendleton County Water District, Gas Division, ("Pendleton") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective March 1, 1985, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) Pendleton's notice of March 26, 1985, set out certain revisions in rates which Pendleton proposed to place into effect, said rates being designed to pass on the wholesale decrease in gas cost in the amount of \$651 or 0.35 cents per Dth. (2) On January 29, 1985, Transmission filed an application with the Federal Energy Regulatory Commission for rates to become effective March 1, 1985. On February 8, 1985, in Case No. 8568-R, Pendleton requested permission to track Transmission's rates. By Order issued March 1, 1985, the Commission approved Pendleton's filing effective March 1, 1985. Subsequent to Pendleton's placing these rates into effect, Transmission filed revised tariffs on March 22, 1985, to be effective March 1, 1985.

(3) Due to the retroactive nature of Transmission's decrease, Pendleton should report to the Commission any excess revenues collected during the period from March 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(4) Pendleton's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8568 dated December 8, 1982, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after March 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 March 1, 1985.

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

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

Done at Frankfort, Kentucky, this 17th day of April, 1985.

PUBLIC SERVICE COMMISSION

Chairman Jeman fr Vice Chairman Commissioner

ATTEST:

Secretary

APPENDIX

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APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8568-S DATED 4/17/85

The following rates are prescribed for the customers served by Pendleton County Water District, Gas Division. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the date of this Order.

RATES: MONTHLY RATES PER UNIT Residential: 0 - 1 Mcf (Minimum Charge) \$6.30 Per Month 1 - 2 Mcf 2 - 6 Mcf 5.699 Per Mcf 5.446 Per Mcf Over 6 Mcf 5.396 Per Mcf Commercial: 0 -1 Mcf (Minimum Charge) \$6.85 Per Month 1 - 20 Mcf5.396 Per Mcf 5.346 Per Mcf 20 -30 Mcf 30 - 40 Mcf 5.296 Per Mcf 40 - 50 Mcf 5.246 Per Mcf 5.196 Per Mcf Over 50 Mcf SMALL INDUSTRIAL: \$5.1565 Per Mcf All Mcf SPECIAL CONTRACTS: Firm Gas Service: MAGO Construction Co., Inc., \$4.8999 Per Mcf

For the purpose of the future application of the purchased gas adjustment clause of Pendleton County Water District, Gas Division, the base rate for purchased gas shall be:

Commodity

Columbia Gas Transmission Corporation Schedule SGS

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\$4.4219 Per Dth