

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

THE NOTICE OF PURCHASED GAS )  
ADJUSTMENT FILING OF ELAM ) CASE NO. 8929-F  
UTILITY COMPANY )

O R D E R

On May 2, 1984, the Commission issued its Order in Case No. 8929 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 February 11, 1985, Elam Utility Company ("Elam") notified the Commission that its wholesale cost of gas would be increased by its suppliers 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) Elam's supplier, Columbia Gas Transmission Corporation ("Transmission"), has filed an application for revised rates to become effective March 1, 1985, with the Federal Energy Regulatory Commission ("FERC").

(2) On December 17, 1984, Elam received notification of a wholesale increase from its supplier, Capitol Oil and Gas Company ("Capitol"), effective December 11, 1984.

(3) The Commission finds that Elam's contract to purchase gas from Capitol is based on the rate Transmission pays for its purchases from Capitol. Transmission's current rate, including taxes, for Capitol purchases is \$3.6576 per Dth as filed in the FERC Docket No. TA 85-1-21-000. A Btu factor of 1.097 applied to this rate equates to \$4.01 per Mcf. The addition of a 30-cent per Mcf transmission charge, included in the purchase contract, results in a total rate that Elam should pay Capitol of \$4.31 per Mcf rather than \$4.465 as proposed.

(4) The Commission has calculated revised rates for Elam as set out in the Appendix to this Order based on the wholesale costs which it finds should be in effect on March 1, 1985.

(5) Elam's notice of February 11, 1985, requested an effective date of March 1, 1985, for its proposed rates. Elam's notice does not provide the required 20-day statutory notice; therefore, the adjusted rates should be effective on and after March 3, 1985, subject to refund. The adjusted rates should be subject to refund because Transmission's rates are subject to refund.

(6) Elam's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8929 dated May 2, 1984, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after March 3, 1985, subject to refund.

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 3, 1985, subject to refund.


IT IS FURTHER ORDERED that the gas purchase rate determined under Elam's contract with Capitol shall be \$4.31 per Mcf.

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

Done at Frankfort, Kentucky, this 1st day March, 1985.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 8929-F DATED MARCH 1, 1985

The following rates and charges are prescribed for the customers served by Elam Utility Company. 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 date of this Order.

RATES: Monthly

RESIDENTIAL & COMMERCIAL

|                 |              |
|-----------------|--------------|
| Customer Charge | \$ 4.00      |
| First 11 Mcf    | 8.11 per Mcf |
| Over 11 Mcf     | 9.11 per Mcf |

INDUSTRIAL

|                 |              |
|-----------------|--------------|
| Customer Charge | \$ 5.00      |
| All Mcf         | 8.11 per Mcf |

The base rates for the future application of the purchased gas adjustment clause of Elam Utility Company shall be:

|                                       | <u>Demand</u> | <u>Commodity</u> |
|---------------------------------------|---------------|------------------|
| Columbia Gas Transmission Corporation | -             | \$4.4254 per Dth |
| Capitol Oil and Gas                   | -             | 4.31 per Mcf     |