

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MT. OLIVET) CASE NO. 7800-SS
NATURAL GAS COMPANY, 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 April 17, 1986, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission that it has excess revenues to refund to its customers 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) Mt. Olivet has over-collections in the amount of \$140 to return to its customers. A refund factor of 13.42 cents per Mcf should be used as a reduction in the purchased gas adjustment.

(2) The refund factor should remain in effect for 1 month or until such time as the full amount plus interest has been refunded.

(3) The refund should begin with meter readings taken on May 1, 1986, or as soon as practical thereafter.

(4) Mt. Olivet should refund the amount 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 cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

IT IS THEREFORE ORDERED that:

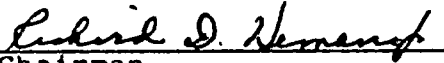
(1) Mt. Olivet shall apply a refund factor in the amount of 13.42 cents per Mcf as a reduction in the approved purchased gas adjustment beginning with meter readings taken on May 1, 1986, remaining in effect until the total amount refunded will, as nearly as possible, reflect the excess revenues collected plus interest.

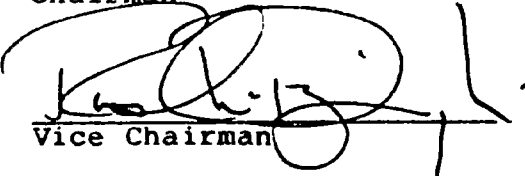
(2) Within 30 days of the date of this Order Mt. Olivet shall file with this Commission its revised tariffs setting out the refund factor authorized herein. All other rates and charges shall remain in full force and effect.

(3) 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.

Done at Frankfort, Kentucky, this 1st day of May, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary