

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-AAA
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 May 22, 1987, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission that it received a decrease in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective April 1, 1987, 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's notice of May 22, 1987, set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$6,404 or 16.25 cents per Mcf. Mt. Olivet incorrectly calculated the decrease based on Mcf

sales instead of Mcf purchases, in accordance with its purchased gas adjustment clause. In future filings, Mt. Olivet should use the methodology specified in its clause.

(2) Transmission filed revised rates with the Federal Energy Regulatory Commission to be effective April 1, 1987.

(3) Mt. Olivet should report to this Commission the amount of overcollections received from April 1, 1987, to the date the proposed rates are implemented, along with a refund plan.

(4) Mt. Olivet's corrected adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7800 dated October 13, 1980, are fair, just and reasonable and in the public interest and should be effective with gas supplied on and after April 1, 1987.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after April 1, 1987.

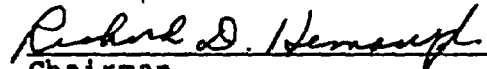
(2) Within 30 days of the date of this Order Mt. Olivet shall report the amount of excess revenues received, along with a refund plan.

(3) 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.

(4) In future filings, Mt. Olivet shall calculate its change in rates based on Mcf purchases instead of sales.

Done at Frankfort, Kentucky, this 16th day of June, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 7800-AAA DATED 6/16/87

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.

Rates: Monthly

First	1,000 cu. ft. or less	\$6.31	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.5604	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.3604	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.2104	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.0104	

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

Demand Commodity

Columbia Gas Transmission Corporation - \$3.2608 per Dth