

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MT. OLIVET) CASE NO. 9918-R
NATURAL GAS COMPANY, INC.)

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 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 September 23, 1988, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission that it received an increase in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective August 1, 1988, 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 September 23, 1988 set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale increase in gas cost from its supplier in the amount of \$456 or 1.16 cents per Mcf.

(2) The change in rates is due to an increase in Transmission's fixed monthly demand surcharge from pipeline suppliers effective August 1, 1988.

(3) A legislative change in KRS Chapter 278, effective July 15, 1986, requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the required period to 20 days upon showing of good cause. Reduction in rates will, as always, be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice providing that: 1) the effective date from the supplier is not more than 20 days in the future, in which case the actual effective date will be used, and 2) the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause for 20-days' notice. Mt. Olivet included a request for a showing of good cause for 20-days' notice. The effective date will, therefore, be 20 days after Mt. Olivet's notice, or October 13, 1988.

(4) Mt. Olivet's adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987 are fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after October 13, 1988.

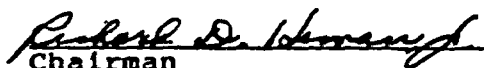
IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after October 13, 1988.

(2) 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.

Done at Frankfort, Kentucky, this 7th day of October, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9918-R DATED 10/7/88

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.

<u>Rates:</u>	Monthly		
First	1,000 cu. ft. or less	\$6.31	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.5663	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.3663	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.2163	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.0163	

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

	<u>Demand</u>	<u>Commodity</u>
Columbia Gas Transmission Corporation	-	\$3.1710 per Dth