

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ELZIE) CASE NO. 10246-A
NEELEY GAS COMPANY, INC.)

INTERIM ORDER

On September 6, 1988, the Commission issued its Order in Case No. 10246 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 16, 1988, Elzie Neeley Gas Company, Inc. ("Elzie Neeley"), notified the Commission that its wholesale cost of gas was decreased by its supplier, Columbia Gas of Kentucky, Inc. ("Columbia"), effective September 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) Elzie Neeley's notice of September 16, 1988 set out certain revisions in rates which Elzie Neeley proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$1,098 or 10.34 cents per Mcf. Columbia's rate, effective September 1,

1988, is net of a fixed charge recovery for contract reformation and take-or-pay costs from its suppliers.

(2) At such time when Columbia's fixed charge recovery for contract reformation and take-or-pay costs is approved, the Commission will issue an Order reflecting the revised rates.

(3) Elzie Neeley's wholesale cost of gas was decreased by Columbia effective September 1, 1988.

(4) Elzie Neeley should report to the Commission the amount of excess revenues collected from September 1, 1988 to the date the proposed rates are implemented, along with a refund plan.

(5) Elzie Neeley's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9521 dated September 2, 1986 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after September 1, 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 September 1, 1988.

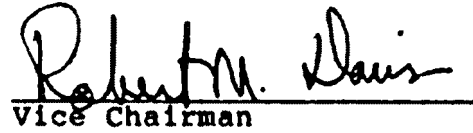
(2) Within 30 days of the date of this Order Elzie Neeley shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Within 30 days of the date of this Order Elzie Neeley shall report the amount of excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 29th day of September, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10246-A DATED 9/29/88

The following rates and charges are prescribed for the customers served by Elzie Neeley Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$6.90 Per Mcf
Over 1 Mcf	\$5.88 Per Mcf

Minimum Bill

The minimum bill shall be \$6.90

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

Commodity

Columbia Gas of Kentucky, Inc.	\$3.4807 per Mcf
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