

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-BB
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 April 4, 1989, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that its annual cost of gas would be decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective August 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

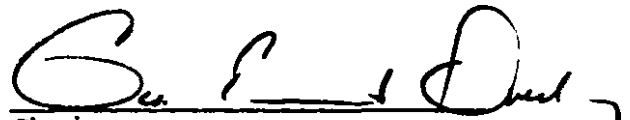
After reviewing the record in this case and being advised, the Commission is of the opinion and finds that Mt. Olivet's notice of April 4, 1989 proposes a decrease in rates based on a change in its fixed monthly demand surcharge from pipeline suppliers from \$218 to \$0. Mt. Olivet included in its filing a tariff sheet from Transmission reflecting a Federal Energy Regulatory Commission ("FERC") Order No. 500 fixed monthly demand surcharge of \$0 effective August 1, 1988. Apparently, Mt. Olivet

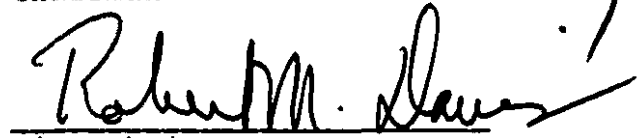
has confused the Order No. 500 surcharge with its pipeline suppliers' surcharge. The Commission has on file Transmission's tariffs, and there is no record of a change in the fixed monthly demand surcharge from pipeline suppliers of \$218 applicable to Mt. Olivet since the current surcharge amount became effective February 1, 1989. Therefore, Mt. Olivet's notice is based on incorrect information and its adjustment in rates should be denied.

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 3rd day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director