

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 12, 1989, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that it will receive an increase in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective May 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:

(1) Mt. Olivet's notice of April 12, 1989 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 \$70 or 0.21 cents per Mcf.

(2) In setting out the change in gas cost, Mt. Olivet deleted the fixed monthly demand surcharge from pipeline suppliers

of \$218 from its estimated annual cost of gas. This charge is still in effect and should be included in Mt. Olivet's annual cost of gas. Therefore, this adjustment changes Mt. Olivet's filing from a decrease of \$2,535 to an increase of \$81.

(3) Transmission filed revised rates with the Federal Energy Regulatory Commission to be effective May 1, 1989. These rates are subject to refund.

(4) KRS 278.180 requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the notice period from 30 days to not less than 20 days upon showing of good cause. Reductions in rates will be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice provided 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. In no case, however, shall the effective date be made prior to the actual effective date of the supplier. 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 May 2, 1989.

(5) Mt. Olivet's corrected 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 May 2, 1989, subject to refund.

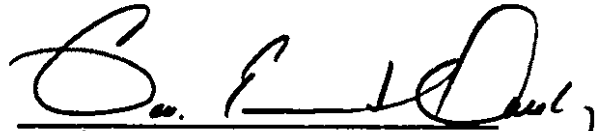
IT IS THEREFORE ORDERED that:


(1) The rates in the Appendix to this Order, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after May 2, 1989, subject to refund.

(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 2nd day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9918-CC DATED 5/02/89

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	\$6.50	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.7727	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.5727	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.4227	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.2227	

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 - \$3.3265 per Dth