

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-FF
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 June 7, 1989, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that it received an increase in its fixed monthly demand surcharge from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective June 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. The surcharge is designed to collect Transmission's take-or-pay charges passed on by its upstream pipeline suppliers and is approved by the Federal Energy Regulatory Commission ("FERC").

After reviewing the record in this case and being otherwise sufficiently advised, the Commission is of the opinion and finds that:

(1) Mt. Olivet's notice of June 7, 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 \$60 or 0.15 cents per Mcf.

(2) Transmission filed a revised allocation of fixed monthly demand surcharges with the FERC to be effective June 1, 1989. Mt. Olivet requested a waiver of the 30-day filing requirement. Pursuant to KRS 278.180, upon Mt. Olivet's showing of good cause, Mt. Olivet's effective date for the increase should be 20 days from the filing date, or June 27, 1989.

(3) Mt. Olivet's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after June 27, 1989.

(4) Mt. Olivet should maintain an account of its billings and recovery of take-or-pay charges from Transmission so that it may supply this Commission with a reconciliation when Transmission's take-or-pay passthrough is completed.

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 June 27, 1989.

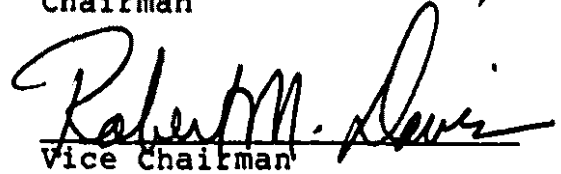
(2) Within 30 days of the date of this Order, Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Mt. Olivet shall maintain an account of take-or-pay supplier billings and recovery, to be supplied to this Commission when Transmission's take-or-pay passthrough is completed.

Done at Frankfort, Kentucky, this 27th day of June, 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-FF DATED JUNE 27, 1989

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	\$6.49	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.7653	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.5653	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.4153	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.2153	

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	-	\$3.3179 per Dth