

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-GG  
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 19, 1989, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that it had received refunds from its supplier, Columbia Gas Transmission Corporation ("Transmission"), and that it had overcollections from May 1989 to return to its customers.

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 19, 1989 set out a refund factor of 14.44 cents per Mcf to return \$161.95 of supplier refunds and \$16.39 of overcollections to its customers.

(2) The refund should begin July 1, 1989 and should remain in effect for 3 months or until such time as the full amount plus interest has been returned to Mt. Olivet's customers.

(3) Mt. Olivet should refund the amount reported in its notice plus interest at a rate equal to the average of the "3-Month Commercial Paper Rate" less 1/2 of 1 percent to cover the cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

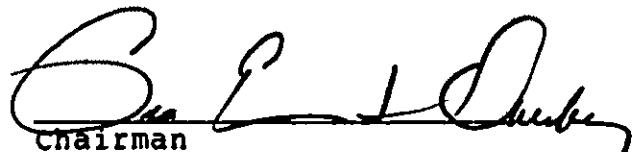
IT IS THEREFORE ORDERED that:


(1) Mt. Olivet shall apply a 14.44 cent per Mcf refund factor to the approved rates beginning July 1, 1989, which shall remain in effect for 3 months or until the total amount of the refund plus interest is returned to its customers.

(2) Within 30 days of the date the refund is terminated, Mt. Olivet shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 10th day of July, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director