

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-HH
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 July 13, 1989, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that its wholesale cost of gas will be increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), 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 otherwise sufficiently advised, the Commission is of the opinion and finds that:

(1) Mt. Olivet's notice of July 13, 1989 set out a whole-sale increase in price from its supplier in the amount of \$6,501 or 16.55 cents per Mcf.

(2) Transmission applied with the Federal Energy Regulatory Commission for increased rates to become effective August 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 August 2, 1989. Transmission's rates are subject to refund; therefore, Mt. Olivet's rates should be subject to refund.

(3) Mt. Olivet incorrectly calculated its proposed rates based on rates approved in Case No. 9918-EE. The rates approved in Case No. 9918-FF should have been used as the basis for calculating Mt. Olivet's proposed rates.

(4) 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 August 2, 1989, subject to refund.

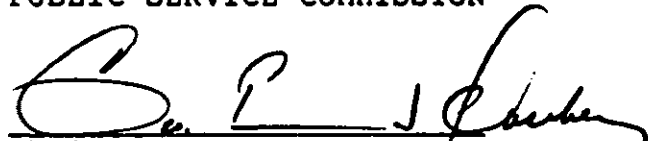
IT IS THEREFORE ORDERED that:

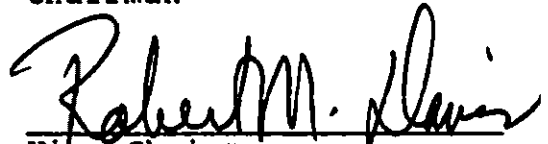
(1) The corrected rates in the Appendix, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after August 2, 1989, subject to refund, in place of the rates proposed by Mt. Olivet.

(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 1st day of August, 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-HH DATED 8/01/89

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 | \$6.66 | (Minimum Bill) |
| Next | 4,000 cu. ft. per 1,000 cu. ft. | 4.9308 | |
| Next | 5,000 cu. ft. per 1,000 cu. ft. | 4.7308 | |
| Next | 10,000 cu. ft. per 1,000 cu. ft. | 4.5808 | |
| Over | 20,000 cu. ft. per 1,000 cu. ft. | 4.3808 | |

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 - \$3.4782 per Dth