

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)
GAS ADJUSTMENT FILING OF) CASE NO. 10398-B
MOUNTAIN UTILITIES, INC.)

O R D E R

On October 20, 1986, the Commission issued its Order in Case No. 9546 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 13, 1989, Mountain Utilities, Inc. ("Mountain") notified the Commission that its wholesale cost of gas was decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective April 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. Mountain's notice of April 13, 1989 set out certain revisions in rates which Mountain proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$33,107 or 57.33 cents per Mcf.

2. Kentucky West filed an application for decreased rates to be effective April 1, 1989 with the Federal Energy Regulatory Commission.

3. Mountain should report to the Commission the amount of excess revenues collected from April 1, 1989 to the date the proposed rates are implemented, along with a refund plan.

4. Mountain's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9546 dated October 20, 1986 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after April 1, 1989.

IT IS HEREBY ORDERED that:

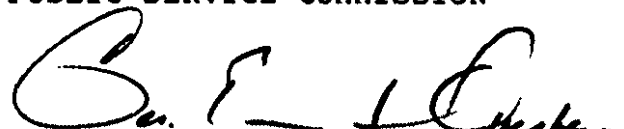
1. The rates in the Appendix, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after April 1, 1989.

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

3. Within 30 days of the date of this Order, Mountain shall report the amount of excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 27th day of April, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10398-B DATED 4/27/89

The following rates and charges are prescribed for the customers served by Mountain Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First	1 Mcf	\$7.6197 per Mcf
All Over	1 Mcf	6.8597 per Mcf

Minimum Bill: \$7.62
(When less than 1 Mcf is used)

The base rate for the future application of the purchased gas adjustment clause of Mountain Utilities, Inc. shall be:

Commodity

Kentucky West Virginia Gas Company	\$2.2358/Dth*
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*Including Gas Research Institute Funding Charge of \$0.0151 per Dth and annual charge adjustment of \$0.0018 per Dth.