

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,) CASE NO. 9918-SS
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 January 10, 1990, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that its fixed monthly demand surcharge was increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective January 1, 1990, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

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

(1) Mt. Olivet's notice of January 1, 1990 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 the fixed monthly demand surcharge from its supplier from \$255 to \$257

per month. Mt. Olivet also proposed an adjustment to its retail rates based on Transmission's tariff filing with the Federal Energy Regulatory Commission ("FERC") issued November 30, 1989, effective January 1, 1990. However, this adjustment was made in Case No. 9918-QQ.¹

(2) In calculating its proposed rates, Mt. Olivet incorrectly included the adjustments previously made in Case No. 9918-QQ. Correcting for this error reflects an increase of \$24 or \$.06 cents per Mcf.

(3) Transmission applied with FERC for increased surcharges to be effective January 1, 1990. 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 request should be granted. The effective date for the increase should be on and after the date of this Order. Transmission's rates are subject to refund; therefore, Mt. Olivet's rates should be subject to refund.

(4) The corrected adjustment in Mt. Olivet's rates under the PGA 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 the date of this Order, subject to refund.

IT IS THEREFORE ORDERED that:

(1) The rates proposed by Mt. Olivet are denied.

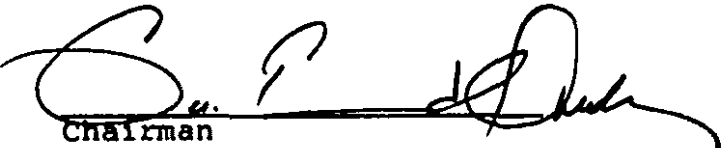
¹ Case No. 9918-QQ, The Notice of Purchased Gas Adjustment Filing of Mt. Olivet Natural Gas Company, Inc., Order dated January 3, 1990.

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

(3) 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 31st day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9918-SS 1/31/90

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.

<u>Rates:</u>	Monthly		
First	1,000 cu. ft. or less	\$6.77	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	5.0430	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.8430	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.6930	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.4930	

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	-	\$3.5766 per Dth