

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, INC.) CASE NO. 9918-RR

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 December 18, 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").

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

(1) Mt. Olivet's notice of December 18, 1989 set out a refund factor of 42.82 cents per Mcf to return \$8,561 of supplier refunds.

(2) The refund should begin with gas supplied on and after January 1, 1990 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:

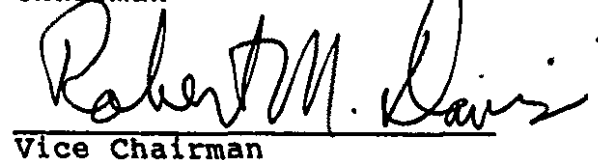
(1) Mt. Olivet shall apply a 42.82 cent per Mcf refund factor to the approved rates beginning with gas supplied on and after January 1, 1990, which shall remain in effect for 3 months or until the total amount of the refund plus interest is returned to its customers.

(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 12th day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director