

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On March 21, 1989, the Commission issued its Order in Case No. 10398 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 May 24, 1991, Mountain Utilities, Inc. ("Mountain") notified the Commission that its wholesale cost of gas will be decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective May 1, 1991, 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 finds that:

1. Mountain's notice of May 24, 1991 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 \$13,830 or 23.95 cents per Mcf.

2. Kentucky West filed with the Federal Energy Regulatory Commission for decreased rates with an effective date of May 1, 1991. The effective date for the decrease should be on and after May 1, 1991. Kentucky West's rates are subject to refund; hence, Mountain's rates should be subject to refund.

3. Mountain should file with this Commission the amount of any overcollections received from May 1, 1991 to the date the approved 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. 10398 dated March 21, 1989 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after May 1, 1991, subject to refund.

IT IS HEREBY ORDERED that:

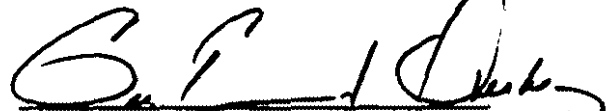
1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after May 1, 1991, subject to refund.


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 file the amount of excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 27th day of June, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10398-S DATED June 27, 1991.

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	\$7.4477 per Mcf
All Over	1 Mcf	6.6877 per Mcf
Minimum Bill:		\$7.45
(When less than 1 Mcf is used)		
Surcharge - Kentucky West Virginia Gas Company - Per Mcf		.8192

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	\$2.1069/Dth*
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*Including \$0.0146 per Dth - Gas Research Institute Funding Charge and \$0.0022 per Dth Annual Charge Adjustment.