

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-A4
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 March 30, 1992, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") filed its quarterly gas cost adjustment ("GCA"), which is to become effective April 1, 1992 and is to remain in effect until July 1, 1992.

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

1. Mt. Olivet's notice of March 30, 1992 set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers. Mt. Olivet's expected gas cost ("EGC") for the quarter beginning April 1, 1992 is \$3.0641 per Mcf.

2. Mt. Olivet's notice set out a refund adjustment in the amount of 0.16 cents per Mcf to return supplier refunds, including interest of \$612, to its customers.

3. Mt. Olivet's notice set out a current quarter actual adjustment in the amount of 7.45 cents per Mcf to compensate for previous under-recovery of gas cost through the operation of its gas cost recovery procedure during the months of July, August, and September 1991.

4. The combined effect of the above adjustments is Mt. Olivet's gas cost recovery rate ("GCR") in the amount of \$3.1370 per Mcf, which is a decrease of 45.45 cents per Mcf from its last approved rates.

5. Mt. Olivet's GCA clause requires that Mt. Olivet file a quarterly report at least 30 days prior to the beginning of each calendar quarter, however, such notice was not given. It is imperative that Mt. Olivet be allowed to pass on the decrease in gas cost to its customers; therefore, the Commission will accept the filing.

6. Mt. Olivet erred in the calculation of its proposed rates; therefore, its proposed rates should be denied.

7. Mt. Olivet's adjustment in rates set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after April 1, 1992.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Mt. Olivet be and they hereby are denied.

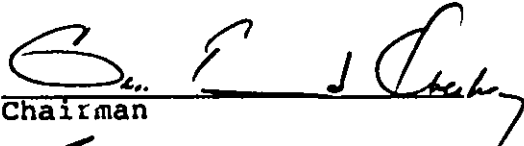
2. Mt. Olivet shall file future gas cost adjustments in accordance with its approved tariff.

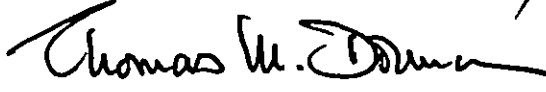
3. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after April 1, 1992.

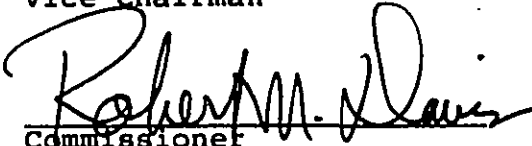
4. Within 30 days of the date of this Order, Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of April, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9918-A4 DATED APRIL 23, 1992

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

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less	\$2.98	\$3.1370	\$6.12
Next 4,000 cu. ft. per 1,000 cu. ft.	1.2613	3.1370	4.3983
Next 5,000 cu. ft. per 1,000 cu. ft.	1.0613	3.1370	4.1983
Next 10,000 cu. ft. per 1,000 cu. ft.	0.9113	3.1370	4.0483
Over 20,000 cu. ft. per 1,000 cu. ft.	0.7113	3.1370	3.8483