

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING)
OF ELAM UTILITY COMPANY) CASE NO. 9845-F

O R D E R

On July 30, 1987, the Commission issued its Order in Case No. 9845 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 November 13, 1992, Elam Utility Company ("Elam") notified the Commission of proposed rates to be effective December 1, 1992, based on decreases in its wholesale cost of gas and submitted with its notice certain information in compliance with the Commission's Order in Case No. 9845-C.¹ On February 5, 1993, Elam filed a revision of the expected purchased gas expense calculation in this case. The revision included changes in suppliers, supplier rates and purchase quantities.

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

1. Elam's revised notice of February 5, 1993 set out certain revisions in rates which Elam proposed to place into effect, said

¹ Case No. 9845-C, Purchased Gas Adjustment Filing of Elam Utility Company, Order dated April 27, 1989.

rates being designed to pass on the expected wholesale decrease in gas cost from its suppliers. Elam's revision included a rate of \$3.8993 per Dth effective November 1, 1992 from Columbia Transmission Corporation ("Transmission"); however, the Commission takes administrative notice of the most current Transmission rate of \$3.1014 per Dth effective February 1, 1993, and includes that rate in the calculation of Elam's expected gas cost. Elam's expected gas cost beginning February 1, 1993 is \$3.4758 per Mcf.

2. Elam's notice included an under-recovery factor of 22.04 cents per Mcf for a short fall in gas cost recovery for the six-month period ending December 31, 1992.

3. The combined effect of the above adjustments is Elam's gas cost recovery rate in the amount of \$3.6962 per Mcf, an increase of 10.43 cents per Mcf from its last rates.

4. Elam's corrected adjustment in rates, based on the revision filed February 5, 1993, under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9845 dated July 30, 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.

IT IS THEREFORE ORDERED that:

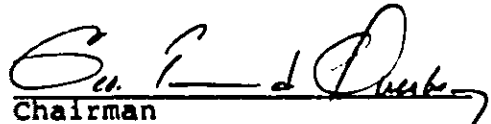
1. The rates proposed by Elam be and they hereby are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are authorized to be effective with gas supplied on and after the date of this Order.

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

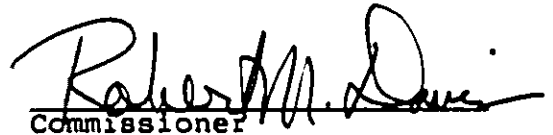
4. Should Elam's gas supply procurement change significantly, it shall notify the Commission within 10 days and give consideration to filing an out-of-time purchased gas adjustment.

Done at Frankfort, Kentucky, this 16th day of February, 1993.

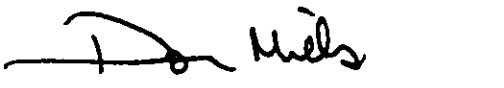
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9845-F DATED February 16, 1993.

The following rates and charges are prescribed for the customers in the area served by Elam Utility Company. 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

<u>Residential and Commercial</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>	
First 11 Mcf	\$3.5673	\$3.6962	\$7.2635	Per Mcf
Over 11 Mcf	4.5673	3.6962	8.2635	Per Mcf
Customer Charge			\$4.10	Per Month
 <u>Industrial</u>				
All Mcf	\$3.5673	\$3.6962	\$7.2635	Per Mcf
Customer Charge			\$5.15	Per Month