

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT     )  
FILING OF ELAM UTILITY COMPANY )

CASE NO.  
2004-00084

ORDER

On October 24, 2003, in Case No. 2003-00171, the Commission approved rates for Elam Utility Company ("Elam") and provided for their further adjustment on a quarterly basis in accordance with Elam's gas cost adjustment ("GCA") clause.

On March 12, 2004, Elam filed its proposed GCA to be effective April 1, 2004. Elam requests a waiver of the 30-day notice period because it did not receive its wholesale gas rates until after March 1, 2004. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

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

1. Elam's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Elam's Expected Gas Cost ("EGC") is \$7.3534, which is \$1.3815 per Mcf more than the previously approved EGC of \$5.9719.
3. Elam's notice sets out no current refund adjustment ("RA").

4. Elam's notice sets out a current quarter actual adjustment ("AA") of 28.41 cents per Mcf. Elam did not adjust for line loss for the month of January in its calculation. Correcting for this produces a current quarter AA of 20.27 cents per Mcf. Elam's total AA is 45.98 cents per Mcf, which is an increase of 20.27 cents from the previous total AA.

5. Elam's notice sets out no current quarter balance adjustment ("BA"). Elam's notice sets out no total BA. Elam has a previous quarter BA of (62.5) cents per Mcf that should be carried forward. Elam's total BA is (62.5) cents per Mcf, which is no change from the previous total BA.

6. Elam's revised GCA is \$7.1882 per Mcf, which is \$1.5842 per Mcf more than the previous GCA of \$5.604.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Elam on and after April 1, 2004.

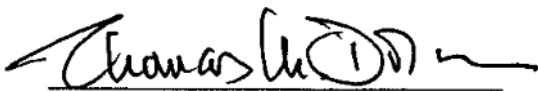
IT IS THEREFORE ORDERED that:

1. Elam's proposed rates are denied.
2. The rates in the Appendix to this Order are approved for billing for service rendered on and after April 1, 2004.
3. Within 20 days of the date of this Order, Elam shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 25<sup>th</sup> day of March, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. (D)", written over a horizontal line.

Executive Director

Case No. 2004-00084

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2004-00084 DATED March 25, 2004

The following rates and charges are prescribed for the customers served by Elam Utility Company. All other rates and charges not specifically mentioned herein shall remain in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Residential

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total</u>
Customer Charge All Mcf	\$4.2999	\$7.1882	\$6.15 \$11.4881

Industrial

Customer Charge All Mcf	\$3.8101	\$7.1882	\$9.00 \$10.9983
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