

COMMONWEALTH OF KENTUCKY  
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

NOTICE TO ADJUST RATES BY )  
ELAM UTILITY COMPANY, INC., ) CASE NO. 7601  
MORGAN COUNTY, KENTUCKY )

AMENDED ORDER

The Commission, having determined that no Base Rate for purchased gas was set out in Elam's Interim Order dated January 9, 1980, is of the opinion and finds:

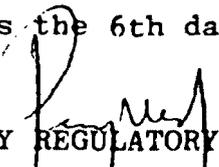
- (1) That the Base Rate for purchased gas is \$2.2907 per MCF.
- (2) That Appendix "A" attached to Elam's Interim Order dated January 9, 1980, should be modified to include the above-mentioned Base Rate for purchased gas.

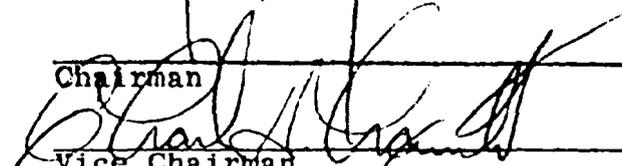
IT IS THEREFORE ORDERED, that Appendix "A" attached to the Interim Order dated January 9, 1980, be modified to include the Base Rate for purchased gas as set out in the revised Appendix attached hereto.

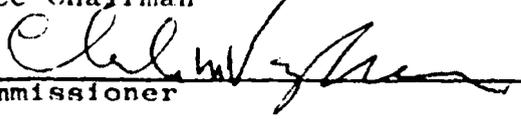
Except as modified herein, the Order dated January 9, 1980, shall remain in full force and effect.

Done at Frankfort, Kentucky, this the 6th day of February, 1980.

ENERGY REGULATORY COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Acting Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY  
COMMISSION IN CASE NO. 7601 DATED FEBRUARY 6, 1980.

The following rates 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 the Commission prior to the date of this Order.

RATES: Monthly

First	1 Mcf or Less Per Month	\$6.95
Next	10 Mcf	4.545 per Mcf
Next	10 Mcf	4.475 per Mcf
Next	19 Mcf	4.415 per Mcf
Next	460 Mcf	4.345 per Mcf
Over	500 Mcf	4.205 per Mcf

PURCHASED GAS ADJUSTMENT CLAUSE

The rates authorized herein are based upon the wholesale cost of gas to the Applicant as computed upon rates of its wholesale suppliers then currently in effect under Federal Energy Regulatory Commission tariffs for interstate business or under wholesale tariffs of this Commission. For the purpose of this purchased gas adjustment clause, these rates shall be considered as the base rate for purchased gas. In the event there is an increase in this base rate the Applicant shall file with this Commission the following information:

(1) A copy of the Federal Energy Regulatory Commission tariff or wholesale tariff of this Commission effecting the change in the base rate and a statement relative to the effective date of such proposed change.

(2) A statement setting out the details of gas purchased under the provision of the base rate for the previous twelve months showing billing under the base rate and under the proposed revised rate applicable to this service.

(3) A statement setting out the details of gas sold for the previous twelve months.

(4) A balance sheet as of the end of the latest twelve-month period and a statement of operating expenses and revenues in the same detail as reported to this Commission in the Utility's Annual Report.

(5) Such other information as this Commission may request for a proper determination of the purchased gas adjustment.

In the event there is a decrease in purchased gas costs or refund, the Applicant shall file the information required in 1, 2, and 4 above.

Upon receipt of this information, this Commission will review the effect of the revised rate on the operation of the Applicant and will issue its Order setting out the purchased gas adjustment that the Utility shall apply to its rates.

The maximum amount of the adjustment so prescribed shall not produce revenue adjustments based upon the actual preceding twelve-month period, greater than the difference between the purchased gas billed at the then existing rates and the purchased gas billed at the revised rate.

On and after the effective date of this rate schedule, if any increase or decrease is made in the rate at which Company's gas suppliers sell gas to the Company, the unit charges of the aforesaid rate schedule shall be increased or decreased by a Purchased Gas Adjustment determined as follows:

(1) Gas purchases will be determined by the Company under supplier's applicable rate schedule during a period of twelve calendar months ending within three months preceeding the month of the effective date of the supplier's rate change. Such purchases shall be:

- (a) At the Base Supplier Rate
- (b) At the New Supplier Rate

(2) The difference between the amounts so determined shall be divided by the number of cubic feet of gas sold by the Company during the said twelve-month period, unless purchases is in excess of 105% of total sales. In such instance, said difference shall be divided by sales plus five (5) percent. The unit charge or credit so determined, expressed in cents per cubic feet, shall be the Purchased Gas Adjustment applicable to consumer billings.

(3) The new supplier rates shall become the Base Supplier Rate to be used in measuring the effect of any subsequent supplier rate change. Each such subsequent change shall be treated in the same manner as set forth above for the establishment of a new Purchased Gas Adjustment and for the establishment of a new Base Supplier Rate.

In the event that the Company receives from its supplier a refund of amounts paid to such supplier in respect of a prior period, the Company will apply to the Commission for authority and upon receipt thereof make adjustments on the amounts charged to its customers under this provision, as follows:

(1) The "Refundable Amount" shall be the amount received by the Company as a refund. Such Refundable Amount shall be divided by the number of cubic feet of gas that Company estimates it will sell to its customers during the four-month period commencing with the first day of the month following receipt of the refund, thus determining a "Refund Factor."

(2) Effective with meter readings taken on and after the first day of the second month following receipt of the refund, the Company will reduce by the Refund Factor so determined any Purchased Gas Adjustment that would otherwise be applicable during such period. Provided, however, that the period of reduced Purchased Gas Adjustment will be adjusted, if necessary, in order to refund as nearly as possible the Refundable Amount.

(3) In the event of any large or unusual refunds, the Company may apply to the Energy Regulatory Commission for the right to depart from the refund procedure herein set forth.

The base rate for purchased gas for the future application of this Purchased Gas Adjustment Clause is:

<u>Supplier</u>	<u>Rate</u>
Columbia Gas Transmission Corporation	\$2.2907 per Mcf