

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF A PURCHASED GAS)
ADJUSTMENT FILING OF MT. OLIVET) CASE NO. 7800-F
NATURAL GAS COMPANY, INC.)

O R D E R

On October 13, 1980, the Commission issued its Order in Case No. 7800 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, decreased or refunds are received.

On November 19, 1981, Mt. Olivet Natural Gas Company ("Mt. Olivet") filed its notice with the Commission seeking approval of a method to refund to its customers \$6,577 by credit on its billings. Mt. Olivet proposes to refund this amount to its customers over a four month period in accordance with the refund provisions of Mt. Olivet's purchased gas adjustment clause beginning on January 1, 1982, said adjustment being designed to pass on to its customers a reduction in the amount of \$.23 per Mcf and that said adjustment be eliminated when the full amount, plus interest has been returned to Mr. Olivet's customers.

After reviewing this evidence of record and being advised the Commission is of the opinion and finds that:

1. Mt. Olivet has \$6,577 to be refunded to its customers.
2. A refund factor in the amount of \$.23 per Mcf be used as a reduction in the purchased gas adjustment.
3. The said refund should remain in effect for four months or until such time as the full amount, plus interest has been returned to its customers.
4. Mt. Olivet should refund the amount reported in its application, plus interest at a rate equal to the average of the "Three Month Commercial Paper Rate" for the immediately preceding 12 month period less $\frac{1}{2}$ of 1 percent to cover the costs of refunding. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

IT IS THEREFORE ORDERED that Mt. Olivet apply a refund factor in the amount of \$.23 per Mcf of gas as a reduction in the approved purchased gas adjustment beginning with meter readings on and after January 1, 1982, and remain in effect until such time as necessary so that the refund will, as nearly as possible reflect the exact amount. The refund factor will terminate at such period of time that the refundable amount equals the refund herein reported, plus interest.

IT IS FURTHER ORDERED that the information furnished this Commission by Mt. Olivet in this case constitutes full compliance with the Commission's Order in Case No. 7800, and any other information ordinarily required to be filed under the Commission's Regulations is hereby waived.

Done at Frankfort, Kentucky, this 2nd day of December, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voh
For the Commission

ATTEST:

Secretary