

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ELZIE) CASE NO. 8546-L
NEELEY GAS COMPANY, INC.)

O R D E R

On November 23, 1982, the Commission issued its Order in Case No. 8546 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 April 2, 1984, Elzie Neeley Gas Company, Inc., ("Elzie Neeley") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas of Kentucky, Inc., ("Columbia") effective April 1, 1984, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

Subsequent to Elzie Neeley's notice of April 2, 1984, Columbia notified its wholesale customers of a further reduction in rates based on a new purchase agreement with Columbia LNG Corporation. The revised rates will be effective April 1, 1984. The Commission recognizes this decrease and is of the opinion that

Columbia's revised rate of \$5.480 per Mcf, rather than \$5.500 per Mcf as originally filed, should be used in calculating Elzie Neeley's adjustment in rates.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) On March 8, 1984, Columbia notified Elzie Neeley that its wholesale cost of gas would be decreased effective April 1, 1984.

(2) Elzie Neeley's notice of April 2, 1984, set out certain revisions in rates which Elzie Neeley proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of 19.1 cents per Mcf.

(3) On March 29, 1984, Columbia filed revised rates to be effective April 1, 1984, to give effect to a favorable new purchase agreement with Columbia LNG Corporation. Columbia notified Elzie Neeley that its wholesale cost of gas would be reduced an additional 2 cents per Mcf.

(4) Elzie Neeley's adjustment in rates should be based on Columbia's revised wholesale rates effective April 1, 1984. The proposed rates should be reduced by a factor of 2 cents per Mcf to reflect Columbia's revision.

(5) Elzie Neeley should report to the Commission any excess revenues collected from April 1, 1984, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(6) Elzie Neeley's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8546 dated November 23, 1982, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after April 1, 1984.

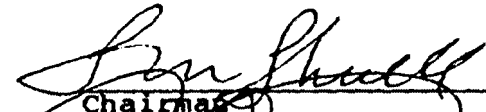
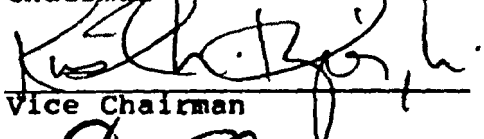

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after April 1, 1984.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Elzie Neeley shall report to the Commission any excess revenues collected from April 1, 1984, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Elzie Neeley shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 17th day of April, 1984.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8546-L DATED APRIL 17, 1984

The following rates and charges are prescribed for the customers served by Elzie Neeley Gas Company, Inc. 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

First 1 Mcf	\$8.13 Minimum Bill
Over 1 Mcf	7.14 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Elzie Neeley Gas Company, Inc., shall be:

Columbia Gas of Kentucky, Inc.	<u>Commodity</u> \$5.480 per Mcf
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