

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MT. OLIVET) CASE NO. 7800-PP
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 or decreased or a refund is received.

On January 14, 1986, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective January 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) Mt. Olivet's notice of January 14, 1986, set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$565 or 1.44 cents per Mcf.

(2) Transmission has filed with the Federal Energy Regulatory Commission ("FERC") an application for decreased rates to be effective January 1, 1986.

(3) Mt. Olivet should report to this Commission any excess revenues collected from January 1, 1986, to the date the proposed rates are implemented, along with a plan to refund excess revenues to its customers.

(4) Mt. Olivet's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7800, dated October 13, 1980, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after January 1, 1986.

(5) Mt. Olivet should submit copies of each gas purchase contract and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of gas supply. Any changes in the documents, including price escalations or any new agreements entered into after the initial submission, should be submitted at the time they are entered into. Where gas is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts should be noted and Mt. Olivet should explain and justify them in writing.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after January 1, 1986.

(2) Within 30 days of the date of this Order Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

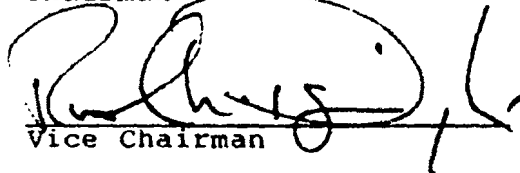
(3) Within 30 days of the date of this Order Mt. Olivet shall file with this Commission any excess revenues collected and a refund plan.

(4) Within 20 days of the date of this Order Mt. Olivet shall supply the contract information requested herein and comply with all provisions of that request.

Done at Frankfort, Kentucky this 22nd day of January, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 7800-PP DATED 1/22/86

The following rates are prescribed for the customers served by Mt. Olivet Natural Gas Company, Inc. 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 effective date of this Order.

Rates: Monthly

First	1,000 cu. ft. or less	\$7.09	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	5.345	
Next	5,000 cu. ft. per 1,000 cu. ft.	5.145	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.995	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.795	

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

	<u>Demand</u>	<u>Commodity</u>
Columbia Gas Transmission Corporation	-	\$4.0228 per Dth