

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-RR
NATURAL GAS COMPANY, INC.)

ORDER

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 April 2, 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 March 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 April 2, 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 \$1,085 or 2.76 cents per Mcf.

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

(3) 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 March 1, 1986.

(4) Mt. Olivet should file with this Commission a statement as to whether or not any excess revenues were collected March 1, 1986, to the date the proposed rates are implemented, along with a refund plan for any overcollections.

IT IS THEREFORE ORDERED that:

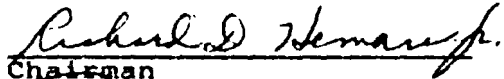
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after March 1, 1986.

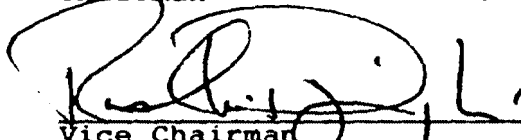
(2) Within 30 days of the date of this Order Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Within 30 days of the date of this Order Mt. Olivet shall file with this Commission as to whether it has any overcollections, along with a refund plan, if necessary.

Done at Frankfort, Kentucky, this 9th day of April, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 7800-RR DATED 4/9/86

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	\$7.04	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	5.295	
Next	5,000 cu. ft. per 1,000 cu. ft.	5.095	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.945	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.745	

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	-	\$3.9741 per Dth