

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)
GAS ADJUSTMENT FILING OF) CASE NO. 9375-C
ELAM UTILITY COMPANY)

O R D E R

On January 13, 1986, the Commission issued its Order in Case No. 9375 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 May 14, 1986, Elam Utility Company ("Elam") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), and that it had certain overcollections it had been ordered in Case No. 8929-J to refund. Elam 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) Elam's notice of May 14, 1986, set out certain revisions which Elam proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$1,116 or 2.8141 cents per Mcf.

(2) Transmission applied to lower its rates with the Federal Energy Regulatory Commission effective March 1, 1986.

(3) Elam has overcollections in the amount of \$1,330 to be refunded to its customers from Case No. 8929-J. A refund factor of 48 cents per Mcf should be used as a reduction in the purchased gas adjustment and should remain in effect for 3 months or until such time as the full amount plus interest is refunded to Elam's customers.

(4) The refund should begin with meter readings taken on May 1, 1986, or as soon as practical thereafter.

(5) Elam should refund the amount reported plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" less 1/2 of 1 percent to cover the cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Review.

(6) Elam's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9375 dated January 13, 1986, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after March 1, 1986.

(7) Elam should report to this Commission the amount of excess revenues collected from March 1, 1986, to the date the proposed rates are implemented, along with a plan to refund the over-collections to its customers.

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) Elam shall apply a refund factor in the amount of 48 cents per Mcf as a reduction in the approved purchased gas adjustment beginning with meter readings taken on May 1, 1986, or as soon as practical thereafter, and this refund factor shall remain in effect until the amount refunded will, as nearly as possible, reflect the amount received plus interest. Interest shall be calculated in the manner specified herein.


(3) Within 30 days of the date of this Order Elam shall file with this Commission its revised tariffs setting out the rates authorized herein, as well as revised tariffs setting out the refund factor authorized herein.

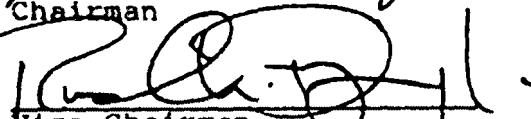
(4) Within 30 days of the date of this Order Elam shall file with this Commission the amount of excess revenues collected from its customers, along with a refund plan.

(5) Within 30 days from the date the refund factor is terminated Elam shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 6th day of June, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9375-C DATED JUNE 6, 1986

The following rates and charges are prescribed for the customers 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

RESIDENTIAL & COMMERCIAL

Customer Charge	\$ 4.00
First 11 Mcf	7.63 per Mcf
Over 11 Mcf	8.63 per Mcf

INDUSTRIAL

Customer Charge	\$ 5.00
All Mcf	7.63 per Mcf

The base rates for the future application of the purchased gas adjustment clause of Elam Utility Company shall be:

	<u>Demand</u>	<u>Commodity</u>
Columbia Gas Transmission Corporation	-	\$3.9742 per Dth
Capitol Oil and Gas	-	3.9090 per Mcf