

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF GAS RATES OF ELAM)
UTILITY COMPANY) CASE NO. 9845

O R D E R

On January 16, 1987, Elam Utility Company ("Elam") pursuant to 807 KAR 5:076 filed for an adjustment of its gas rates under the Alternative Rate Filing Procedure for Small Utilities.

Elam proposed as the test year in this case the calendar year ended December 31, 1985. Elam updated all revenue and expense items of the test period to the actual amounts expected to be detailed in the 1986 Annual Report to the Commission.

The Commission is of the opinion that the updating of 1985 revenues and expenses to expected 1986 results will create additional controversial issues which could be avoided by using calendar year 1986 as the test period. Therefore, the Commission believes that the test period should be changed to the 1986 calendar year as it is more recent.

SUMMARY

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. Elam's financial data filed January 16, 1987, is based on a test period now in excess of 12 months old which will unduly add to the complexity of this case.

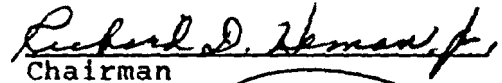
IT IS THEREFORE ORDERED that:


1. Elam shall file by February 28, 1987, updated financial data based on a December 31, 1986, test period to include appropriate adjustments if desired.

2. Supplementary data, such as the billing analysis, shall be based on the December 31, 1986, test period as appropriate.

Done at Frankfort, Kentucky, this 12th day of Februray, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director