

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF MT. OLIVET        )  
NATURAL GAS COMPANY, INC.                )        CASE NO. 9918-I

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 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 8, 1988, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission that it will receive an increase in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective February 1, 1988, 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 8, 1988, set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$6,418 or 16.37 cents per Mcf.

(2) Transmission filed revised rates with the Federal Energy Regulatory Commission ("FERC") to be effective February 1, 1988, including a fixed monthly charge attributable to contract reformation costs. FERC has not yet ruled on the fixed monthly charge attributable to contract reformation costs.

(3) In its purchased gas adjustment filings, Mt. Olivet has used incorrect base rates in setting out its adjusted rates for any increase or decrease in gas purchases. In all future filings, Mt. Olivet should use the approved rates in the most recent case to apply any increase or decrease to gas purchases.

(4) Mt. Olivet's corrected adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987, are fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1988. Mt. Olivet's rates should be subject to refund because FERC has not yet ruled on the monthly charge attributable to contract information charges.

IT IS THEREFORE ORDERED that:

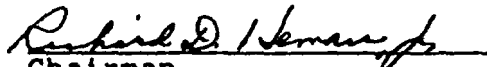
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1988, subject to refund.

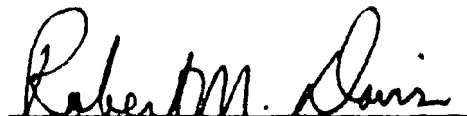
(2) In all future purchased gas adjustment filings, Mt. Olivet shall use the approved rates from the most recent case to adjust for any increase or decrease in its purchased gas adjustment clause.

(3) 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.

Done at Frankfort, Kentucky, this 5th day of February, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 9918-I DATED 2/5/88

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.

<u>Rates:</u>	Monthly		
First	1,000 cu. ft. or less	\$6.11	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.3659	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.1659	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.0159	
Over	20,000 cu. ft. per 1,000 cu. ft.	3.8159	

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	-	\$2.6722 per Dth