

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-XX

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 March 12, 1990, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that its wholesale cost of gas was decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective May 1, 1990, 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 otherwise sufficiently advised, the Commission finds that:

(1) Mt. Olivet's notice of March 12, 1990 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.

(2) In calculating its proposed rates, Mt. Olivet used base retail rates that were not approved. The rates approved in Case No. 9918-WW¹ should be used as the basis for calculating Mt. Olivet's proposed adjustment. The resulting decrease in rates is \$5,423 or 12.29 cents per Mcf.

(3) Transmission applied with the Federal Energy Regulatory Commission for decreased rates to become effective May 1, 1990. The effective date for Mt. Olivet's decrease should be May 1, 1990. Transmission's rates are subject to refund; hence, Mt. Olivet's rates should be subject to refund.

(4) The corrected adjustment in Mt. Olivet's rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after May 1, 1990, subject to refund.

IT IS THEREFORE ORDERED that:

(1) The rates proposed by Mt. Olivet are denied.

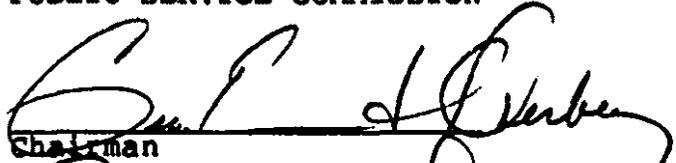
(2) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after May 1, 1990, subject to refund.

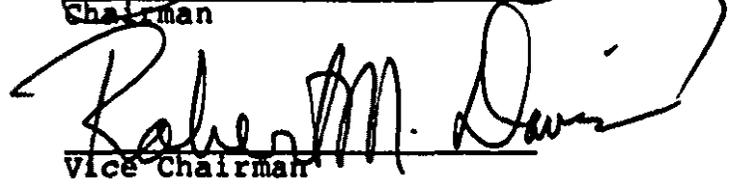
¹ Case No. 9918-WW, Notice of Purchased Gas Adjustment Filing of Mt. Olivet Natural Gas Company, Inc., Order dated March 28, 1990.

(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 2nd day of April, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9918-XX DATED 4/02/90

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	\$6.41	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.6852	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.4852	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.3352	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.1352	

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	-	\$3.2664 per Dth