

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. 97-389-D

O R D E R

On April 24, 1998, in Case No. 97-389, the Commission approved certain adjusted rates for Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On March 17, 1999, Mt. Olivet filed its GCA proposed to be effective from April 1, 1999 to July 1, 1999.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mt. Olivet's notice proposed revised rates designed to pass on its expected wholesale increase in gas costs to its customers. The proposed EGC of \$3.6522 per Mcf is 24.66 cents per Mcf more than its prior EGC.
2. Mt. Olivet has no current supplier refunds to return to its customers.
3. The notice set out a current quarter actual adjustment ("AA") of (44.32) cents per Mcf to reconcile gas cost from October, November, and December 1998. The total AA of (52.79) cents per Mcf reflects the current over-collection as well as under- and over-collections from previous quarters. The total AA represents a decrease of 19.84 cents per Mcf from the previous total AA.

4. These adjustments produce a gas cost recovery rate of \$3.1243 per Mcf, 4.82 cents per Mcf more than the prior rate of \$3.0761.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved with gas supplied on and after April 16, 1999. Mt. Olivet did not give sufficient notice for rates to be effective April 1, 1999.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for gas supplied on and after April 16, 1999.

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 in this Order.

Done at Frankfort, Kentucky, this 20th day of April, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 97-389-D DATED APRIL 20, 1999

The following rates and charges are prescribed for the customers in the area 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 this Commission prior to the effective date of this Order.

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less	\$3.1996	\$3.1243	\$6.3239
Next 4,000 cu. ft. per 1,000 cu. ft.	1.4143	3.1243	4.5386
Next 5,000 cu. ft. per 1,000 cu. ft.	1.2095	3.1243	4.3338
Next 10,000 cu. ft. per 1,000 cu. ft.	1.0578	3.1243	4.1821
Over 20,000 cu. ft. per 1,000 cu. ft.	0.8501	3.1243	3.974