

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF ELAM UTILITY)	CASE NO. 2008-00194
COMPANY)	

ORDER

On October 24, 2003, in Case No. 2003-00171, the Commission approved rates for Elam Utility Company (“Elam”) and provided for their further adjustment on a quarterly basis in accordance with Elam’s Gas Cost Adjustment (“GCA”) clause.¹

On May 30, 2008, Elam filed its proposed GCA to be effective July 1, 2008.

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

1. Elam’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Elam’s notice sets out an Expected Gas Cost (“EGC”) of \$13.2176, which is a decrease of \$.3861 from the previously approved EGC of \$13.6037.

3. Elam’s notice sets out no current Refund Adjustment (“RA”).

Elam’s notice sets out a current quarter Actual Adjustment (“AA”) of \$4.7235 per Mcf. Although the figure is correct, it should be negative rather than positive, resulting in a

¹ Case No. 2003-00171, A Review of the Rates of Elam Utility Company, Inc. Pursuant to the Decision to Approve the Financing Requested in Case No. 2001-00324, Order dated October 24, 2003.

current quarter AA of (\$4.7235) per Mcf. Elam's total AA is (\$2.9312) per Mcf, which is \$3.1253 per Mcf less than the previous total AA.

4. Elam's notice sets out no current quarter Balancing Adjustment ("BA"). Elam's total BA is 0, which is no change from the previous total BA.

5. Elam's revised GCA is \$10.2864 per Mcf, which is \$3.5114 per Mcf less than the previous GCA of \$13.7978.

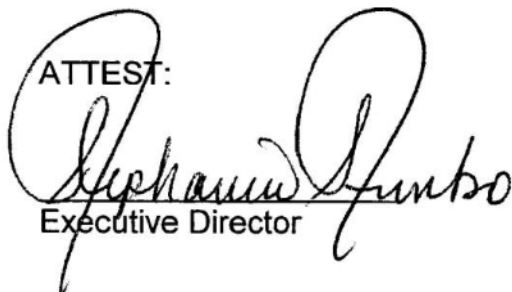
6. The rates in Appendix A to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Elam on and after July 1, 2008.

IT IS THEREFORE ORDERED that:

1. Elam's proposed rates are denied.
2. The rates in the Appendix to this Order are approved for billing for service rendered on and after July 1, 2008.
3. Within 20 days of the date of this Order, Elam shall file with this Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 26th day of June, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00194 DATED JUNE 26, 2008

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 this Commission prior to the effective date of this Order.

RATES:

Residential

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total</u>
Customer Charge All Mcf	\$4.2999	\$10.2864	\$6.15 \$14.5863

Industrial

Customer Charge All Mcf	\$3.8101	\$10.2864	\$9.00 \$14.0965
----------------------------	----------	-----------	---------------------