

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF ELAM UTILITY) CASE NO. 2009-00469
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 November 30, 2009, Elam filed its proposed GCA to be effective January 1, 2010. On December 7, 2009, Elam filed revisions to its GCA.

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 revised notice sets out an Expected Gas Cost (“EGC”) of \$6.4366 per Mcf based on the three-month NYMEX average for January, February, and March 2010. Elam’s EGC is an increase of \$1.2468 per Mcf from the previously approved EGC of \$5.1898 per Mcf.

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 (Ky. PSC Oct. 24, 2003).

3. Elam's notice sets out no current Refund Adjustment ("RA").

4. Elam's revised notice sets out a current quarter Actual Adjustment ("AA") of (\$1.0569) per Mcf. Elam's total AA is (\$3.6706) per Mcf, which is a decrease of \$1.0569 per Mcf from the previous total AA of (\$2.6137) per Mcf.

5. Elam's notice sets out a current quarter Balancing Adjustment ("BA") of (\$1.0743) per Mcf to return to its customers over-recoveries resulting from its collection of a previous quarter AA of \$1.7923 per Mcf from September 2008 through September 14, 2009. The BA also includes under-recoveries resulting from Elam's continuing to charge a previous quarter AA of (\$4.7235) per Mcf which should have expired July 2009. Elam's total BA is (\$1.0743) per Mcf.

6. Elam's revised GCA is \$1.6917 per Mcf, which is a decrease of \$.8844 per Mcf from the previous GCA of \$2.5761 per Mcf.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Elam on and after January 1, 2010.

IT IS THEREFORE ORDERED that:

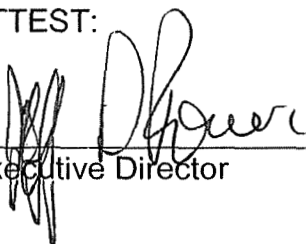
1. The rates in the Appendix to this Order are approved for billing for service rendered on and after January 1, 2010.

2. 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.

By the Commission

ENTERED
DEC 18 2009
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00469 DATED DEC 18 2009

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			\$6.15
All Mcf	\$4.2999	\$ 1.6917	\$5.9916

Industrial

Customer Charge			\$9.00
All Mcf	\$3.8101	\$1.6917	\$5.5018

Wilma Ison
President
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