

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

* * * * *

In the Matter of:

A PURCHASED GAS ADJUSTMENT)
FILING BY OHIO RIVER GAS) CASE NO. 6671-R
COMPANY, INC.)

O R D E R

On January 18, 1977, the Commission entered its Final Order in Case No. 6671, in which it prescribed new base rates and a Purchased Gas Adjustment Clause setting forth the wholesale rates upon which future purchased gas adjustments should be based when the wholesale cost of gas is increased, decreased or refunds are received.

On January 7, 1980, Ohio River Gas Company, Inc., notified the Commission that its supplier, Texas Gas Transmission Corporation (Texas Gas), had filed with the Federal Energy Regulatory Commission (FERC) increased rates to become effective February 1, 1980.

On December 21, 1979, Texas Gas tendered for filing proposed changes in its FERC Tariff, Third Revised Volume No. 1, to become effective February 1, 1980.

The Texas Gas filing reflects changes in its costs of purchased gas to the extent such changes were not reflected in its filing effective January 1, 1980. Also included in the filing are the recovery of demand charge adjustments, changes in Louisiana First Use Tax, and other cost changes placed in effect pursuant to the FERC Order of October 11, 1979, approving the Stipulation and Agreement submitted in FERC Docket No. RP78-94.

The estimated annual increase in revenue as a result of the Applicant's filing of January 7, 1980, is \$19,842 or 17.6¢ per Mcf.

The Applicant, in compliance with its tariff and previous Orders of this Commission, submitted with its Notice certain information including verification of the rates and charges of its supplier.

After reviewing this evidence of record and being advised, the Commission is of the opinion and finds:

(1) That the Energy Regulatory Commission is being asked to approve a price increase already approved by the Federal Energy Regulatory Commission when it granted the Applicant's supplier, Texas Gas Transmission Corporation, a wholesale gas cost increase. We are of the opinion that failure to allow this increase to be passed through to its retail consumers on a timely basis would be unfair and unjust to the Company and would ultimately result in higher rates to their consumers in any event. The Commission has (in writing) indicated its opposition to the procedures and regulations used by the Federal agency in approving these supplier increases since 1975. We continue to be opposed and are continuing to seek alternative ways to overcome the regulatory inequities which have such a direct impact on the retail consumers.

(2) That the Applicant's supplier, Texas Gas, has filed for increased rates to become effective February 1, 1980.

(3) That the Application filed January 7, 1980, reflected Texas Gas's rates as filed with the FERC on December 21, 1979, to be effective February 1, 1980.

(4) That the magnitude of this filing exposes the Applicant to substantial under-recovery of its gas costs if the rates are not implemented in a timely manner.

(5) That the Commission should waive its policy of requiring evidence of FERC acceptance in this case and allow the Applicant to place into effect subject to refund the rates set out in Appendix "A".

(6) That the Applicant's Base Supplier Rate for purchased gas will be as follows:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation Rate G-4	\$2.56	202.13¢

(7) That the Applicant's adjustment in rates under the Purchased Gas Adjustment provisions approved by the Commission in

its Order in Case No. 6671, dated January 18, 1977, is fair, just and reasonable and in the public interest and should be effective subject to refund with gas supplied on and after the date the increased cost of wholesale gas becomes effective.

IT IS THEREFORE ORDERED that the Purchased Gas Adjustment sought by the Applicant as set out in Appendix "A" attached hereto and made a part hereof, be and the same, is hereby approved to be effective, subject to refund, with gas supplied on and after the date the increased cost of wholesale gas becomes effective.

IT IS FURTHER ORDERED that for the purpose of the future Application of the Purchased Gas Adjustment Clause of Applicant the Base Rate for purchased gas shall be:

	<u>Demand</u>	<u>Commodity</u>
Texas Gas Transmission Corporation Rate G-4	\$2.56	202.13¢

IT IS FURTHER ORDERED that Ohio River Gas Company, Inc., shall maintain its records in such manner as will enable it, or the Commission, or any of its customers, to determine the amounts to be refunded and to whom due in the event a refund is ordered by the Commission.

IT IS FURTHER ORDERED that within thirty (30) days after the date of this Order, Applicant shall file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the information furnished this Commission by Applicant on January 7, 1980, constitutes full compliance with the Commission's requirements and Order in Case No. 6671, and any other information ordinarily required to be filed under the Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 31st day of January, 1980.

ENERGY REGULATORY COMMISSION



For the Commission

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY
COMMISSION IN CASE NO. 6671-R DATED January 31, 1980.

The following rates are prescribed for the customers in the area served by Ohio River 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 date of this Order.

RATES:

Applicable to All Rate Schedules

Purchased Gas Adjustment

To each bill rendered under all rate schedules there shall be added an amount equal to; 11.89¢ per Mcf of gas used during the billing period.