

COMMONWEALTH OF KENTUCKY

BEFORE THE ENERGY REGULATORY COMMISSION

* * * *

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF THE UNION, LIGHT,)
HEAT AND POWER COMPANY) CASE NO. 7268-Q

ORDER

On April 13, 1979, the Commission entered its Final Order in Case No. 7268, 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 19, 1981, the Applicant, Union Light, Heat and Power Company, notified the Commission that it seeks to make the refund on its Refund Adjustment bases, as stated under Paragraph B of its Gas Cost Adjustment Provisions, as approved by the Commission in Case No. 7268, by Order dated April 13, 1979, and as presently stated on Third Revised Sheet No. 9, and First Revised Sheet No. 15, of its gas tariff, E.R.C. Ky. No. 2.

The Applicant presently has on hand \$718,114.78 in accumulated refunds from its supplier Columbia Gas Transmission Corporation. Of this amount \$14,491.90 is due to C G & E under X-5 agreement and \$198.03 is due to Interdepartmental Sales Other Firm Sales, Rates GS and F. The amount available to the Applicant's customers has been determined to be \$703,424.85 which Applicant proposes to refund as described below.

(a) Amount available to Off Peak customers has been determined to be \$107,497.44 and shall be refunded to the Off Peak customers as a credit on the bill, as soon as practical, succeeding the approval of the refund plan based on the twelve month volume ended November 30, 1980, and

(b) Amount available to Firm customers has been determined to be \$595,927.41 and shall be refunded to the Firm customers at a rate of 5.1 cents per MCF. The refund will be effectuated by reducing the applicable Gas Cost Adjustment by the refunding rate of 1.5 cents as approved in Case No. 7268-K plus 4.4 cents per MCF as approved in Case No. 7268-N plus 5.1 cents per MCF to equal a total refunding rate of 11.0 cents per MCF for approximately the next twelve months until the monies have been substantially distributed. At that time, bill shall revert to the then prevailing Gas Cost Adjustment.

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

(1) That the Applicant has on hand \$718,114.78 to be refunded. Of this amount \$14,491.90 is due C G & E under X-5 agreement and \$198.03 is due to Interdepartmental Sales Other Firm Sales, Rates G S and F. The amount due Applicants customers is \$703,424.85.

(2) That the refund shall begin with the Applicant's next billing cycle or as soon as practical.

(3) That said refund remain in effect until such time as the full amount has been returned to their customers.

IT IS THEREFORE ORDERED, that the Applicant shall refund to their customers a total of \$703,424.85 in accumulated refunds and that said refund shall begin with the Applicant's next billing cycle or as soon as practical.

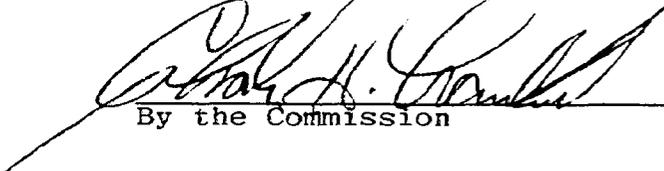
IT IS FURTHER ORDERED, that upon completion of the refund authorized herein the Applicant shall notify the Commission of said fact and the amount refunded by class customer.

IT IS FURTHER ORDERED, that any monies not refunded within four (4) months of the effective date of this plan shall be credited with interest at six (6) percent and refunded also.

IT IS FURTHER ORDERED, that the information furnished this Commission by the Applicant on January 19, 1981, constitutes full compliance with the Commission's requirements and Order in Case No. 7268, and other information ordinarily required under the Commission's Regulations is hereby waived.

Done at Frankfort, Kentucky, this 17th day of February, 1981.

ENERGY REGULATORY COMMISSION



By the Commission

ATTEST:

Secretary