

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

PETITION OF COLUMBIA GAS OF KENTUCKY)
INC., FOR AUTHORITY TO ADJUST RATES) CASE NO. 7273-0
IN ACCORDANCE WITH THE PURCHASED GAS)
ADJUSTMENT PROCEDURE)

O R D E R

On April 23, 1979, this Commission issued its Final Order in Case No. 7273, approving certain adjustments in the rates of Columbia Gas of Kentucky, Inc., (Columbia), and providing under certain conditions for refunds.

On December 24, 1980, the Applicant notified the Commission that they had received a refund from one of its suppliers, Columbia Gas Transmission Corporation (Transmission) and that the refund is due to the Applicant's customers.

This refund is the result of a refund received from Transmission on October 13, 1980, applicable to the period December 15, 1975 through May 31, 1980, and distributed in accordance with FERC Opinion Nos. 74 and 74A in Docket Nos. RP75-106, RP76-95 and RP78-20.

The fifty-four (54) month period covered by this refund was, in fact, the basis for a number of prior refunds, thereby making it very difficult, if not almost impossible, to compute accurate refund factors using PGAs already revised two or more times for previous refund calculations. Also adding to the extreme difficulty is the fact that during this long refund period, the effective dates of many Transmission increases do not match the effective dates of Columbia's tracking PGAs. This was due to the Commission's policy of requiring E.R.C. approval of supplier rate changes prior to allowing Columbia's PGAs to become effective. Therefore, Columbia proposes to refund to its customers the full amount of principal and interest refund received from its supplier, Transmission.

The Applicant has calculated the amount owed each high pressure customer based upon individual customer usage during the refund calculation period. The total refund due high pressure customers amounts to \$512,272.96 and will, upon approval, be refunded by check. The balance of the refund in the amount of \$885,214.28 would be refunded to approximately 112,900 General-Service low pressure residential and commercial customers by bill credit over a four month period.

The estimated refund factor applicable to low pressure customers is .009889¢ per Mcf.

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

(1) That the Applicant's proposed refunds of \$1,397,488.24 are fair, just and reasonable and in the public interest and should be made in the manner proposed by the Applicant.

(2) That the refund factor of .009889¢ per Mcf should be adjusted, when necessary, to assure proper refunds to their customers.

IT IS THEREFORE ORDERED that the Applicant shall refund by check \$512,273.96 to its high pressure customers and that \$885,214.28 shall be refunded to its low pressure customers by application of a credit factor of .009889¢ per Mcf of sales to its customers' bill.

IT IS FURTHER ORDERED that upon completion of the refund directed herein, the Applicant shall file with the Commission, a statement of the monies refunded to its customers.

IT IS FURTHER ORDERED that the Applicant shall notify the Commission upon completion of the refund authorized herein, and the amount of the refund to all customers served.

IT IS FURTHER ORDERED that the information furnished this Commission by the Applicant on December 24, 1980, constitutes full compliance with the Commission's requirements and orders in Case No. 7273, and any other information ordinarily required to be filed under Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 4th day of February, 1981.

ATTEST:

ENERGY REGULATORY COMMISSION

