

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PETITION OF COLUMBIA GAS OF)
KENTUCKY, INC., FOR AUTHORITY)
TO ADJUST RATES IN ACCORDANCE) CASE NO. 7273-X
WITH THE PURCHASED GAS ADJUST-))
MENT 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, Incorporated, ("Columbia") and providing under certain conditions for refunds.

On August 11, 1981, Columbia notified the Commission that it had received a refund in the amount of \$491,183.53 from one of its suppliers, Columbia Gas Transmission Corporation ("Transmission") and that the refund is due to its customers.

This refund is the result of rate reductions approved by the Federal Energy Regulatory Commission ("FERC") which resulted in Columbia's receiving refunds from its supplier, Transmission.

Columbia 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 \$202,803.32 and will, upon approval,

be refunded by check. The balance of the refund in the amount of \$288,380.21 would be refunded to approximately 111,500 low pressure residential and commercial customers by bill credit over a four-month period.

The estimated refund factor applicable to low pressure customers is \$0.057 per Mcf.

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

(1) The refund due high pressure customers is \$202,803.32 and should be refunded by check, and that the balance of the refund in the amount of \$288,380.21 should be refunded to approximately 111,500 low pressure residential and commercial customers by bill credits over a four-month period.

(2) The refund factor for low pressure customers should be \$0.057 per Mcf and should be adjusted, when necessary, to assure proper refunds to its customers.

(3) The refund should begin with the Columbia's next billing cycle or as soon as practical and should remain in effect for four-months, or until such time as the full amount, plus interest has been returned to its customers.

(4) Columbia should refund the amounts reported in its application plus interest at a rate equal to the average of the "three-month Commercial Paper Rate" for the immediately preceding twelve-month period less $\frac{1}{2}$ of 1% to cover the costs of refunding. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

IT IS THEREFORE ORDERED that Columbia shall refund by check \$202,803.32 to its high pressure customers and that \$288,380.21 shall be refunded to its low pressure customers by application of a credit factor of \$0.057 per Mcf of sales to its customers' bills for a period of four months beginning with Columbia's next billing cycle, or as soon as practical, and remain in effect until such time as necessary so that the refund will, as nearly as possible, reflect the exact amount. The refund factor will terminate at such period of time that the refundable amount equals the refund herein reported plus interest.

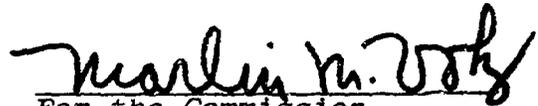
IT IS FURTHER ORDERED that upon completion of the refund directed herein, Columbia shall file with the Commission a statement of the monies refunded to its customers.

IT IS FURTHER ORDERED that Columbia 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 Columbia on August 11, 1981, constitutes full compliance with the Commission's requirements and orders in Case No. 7273, and any other information ordinarily required to be filed under the Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 21st day of October, 1981.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary