

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

A PURCHASED GAS ADJUSTMENT)
FILING OF WESTERN KENTUCKY) CASE NO. 8227-E
GAS COMPANY)
O R D E R

On October 9, 1981, the Commission entered its Order in Case No. 8227, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased, decreased or a refund is received.

On June 8, 1982, Western Kentucky Gas Company ("Western") filed its notice and application with the Commission stating that it had received a refund from one of its suppliers, Tennessee Gas Pipeline Company ("Tennessee Gas").

On May 14, 1982, Western was notified by Tennessee Gas that a refund of \$255,117 was reflected in the form of a credit on the April 1982, gas invoice. This refund represents Western's share of a total refund from Tennessee Gas pursuant to the Stipulation and Agreement (August 19, 1981) in Docket No. RP80-97.

Western's filing of June 8, 1982, also reflects three small refunds in the amounts of \$2,614, \$16,719 and \$3,345. The \$2,614 represents Western's portion of refunds that Tennessee Gas received from its producer-suppliers pursuant to various commission opinions and orders and as a result of negative NGPA well category

determinations. The \$16,719 is the disposition of a billing adjustment received by Tennessee Gas on March 12, 1982, from Superior Oil Company, a producer-supplier of Tennessee Gas, and the \$3,345 is the disposition of a billing adjustment received by Tennessee Gas on March 31, 1982, from Chevron U.S.A., Inc., a producer-supplier of Tennessee Gas.

The total refundable amount in the filing is \$277,795. Western proposes to refund this amount to its customers over a period of 4 months in accordance with the refund provisions of Western's purchased gas adjustment clause beginning with meter readings taken on July 1, 1982. Western's adjustment is designed to pass on to its customers a reduction in the amount of \$0.0338 per thousand cubic feet of gas and said adjustment should be eliminated when the full amount to be refunded, plus interest has been returned to Western's customers.

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

(1) Western has a refund in the amount of \$277,795 from Tennessee Gas to be refunded to its customers.

(2) A refund factor in the amount of \$0.0338 per thousand cubic feet of gas be used as a reduction in the purchased gas adjustment.

(3) The said refund remain in effect for 4 months or until such time as the full amount plus interest has been returned to its customers.

(4) The said refund should begin with Western's next billing cycle or as soon as practical.

(5) Western should refund the amounts reported in its application plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less 1/2 of 1 percent 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 Western Kentucky Gas Company apply a refund factor in the amount of \$0.0338 per thousand cubic feet of gas as a reduction in the approved purchased adjustment beginning with Western'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 period herein reported plus interest.

IT IS FURTHER ORDERED that the information furnished this Commission by Western in this case constitutes full compliance with the Commission's Order in Case No. 8227, and any other information ordinarily required to be filed under the Commission's rules is hereby waived.

Done at Frankfort, Kentucky, this 16th day of June, 1982.

PUBLIC SERVICE COMMISSION

ATTEST:


For the Commission

Secretary