

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF LOUISVILLE GAS) CASE NO. 8284-B
AND ELECTRIC COMPANY)

O R D E R

On January 4, 1982, the Commission issued its Order in Case No. 8284, approving certain adjustments in the rates of Louisville Gas and Electric Company ("L.G.&E.") and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased.

On February 10, 1982, L.G.&E. filed its notice with the Commission stating that it had received a decrease from its supplier, Texas Gas Transmission Corporation ("Texas Gas").

On February 5, 1982, Texas Gas filed with the Federal Energy Regulatory Commission ("FERC") a downward modification of its February 1, 1982, PGA filing to give effect to similar downward modifications in the rates of two of its suppliers.

The effect of this Texas Gas rate filing, as applied to L.G.&E.'s purchased gas costs for the 12 months ended December 31, 1981, is a decrease of \$1,132,750. Of this

total decrease, \$46,950 is applicable to gas used as Electric Department fuel, leaving \$1,085,800 as applicable to L.G.&E.'s Gas Department. The decrease results in a purchased gas adjustment of 1.95 cents per Mcf, or .195 cents per 100 cubic feet.

L.G.&E. proposes that its Purchased Gas Adjustment be decreased effective March 1, 1982. Because of the retroactive change by Texas Gas, L.G.&E. was unable to make a timely filing to give effect to the aforesaid Texas Gas rate reduction. Therefore, L.G.&E. will have a refund obligation in connection with purchases from Texas Gas for the month of February 1982.

The estimated refundable amount to L.G.&E.'s gas customers is \$116,127, after reduction of \$1,440 for that portion applicable to gas used as Electric Department fuel. Because of the relatively small number of dollars represented by this refundable amount, L.G.&E. proposes to increase by such amount the refundable balance from Case No. 7799-E. L.G.&E. also proposes to adjust the refundable amount of \$116,127 upward, or downward, as the case may be, when actual figures are available for the month of January 1982.

After reviewing the application filed in this case and being advised, the Commission is of the opinion and finds that:

(1) On February 5, 1982, L.G.&E.'s supplier filed with the FERC a downward modification of its February 1, 1982, PGA filing.

(2) The annual amount of this decrease is \$1,132,750 of which \$46,950 is applicable to gas used for the Electric Department fuel and \$1,085,800 is applicable to L.G.&E.'s gas customers.

The result is a downward adjustment in the purchased gas adjustment of 1.95 cents per Mcf, or .195 cents per 100 cubic feet and is proper to give effect to the Texas Gas decrease.

(3) L.G.&E. was unable to make a timely filing to give effect of this rate reduction, therefore, L.G.&E. will have a refund obligation in connection with purchases made for the month of February 1982. The refundable amount to L.G.&E.'s gas customers is estimated to be \$116,127. L.G.&E. should increase the refundable amount in Case No. 7799-E by this amount and adjust the refund upward or downward when actual figures are available for the month of January 1982.

(4) The application filed February 10, 1982, reflected Texas Gas rates as filed with the FERC on February 5, 1982, to be effective February 1, 1982.

(5) The purchased gas adjustment of L.G.&E. shall be adjusted to the following, effective February 1, 1982.

PGA corresponding to Base Supplier Rate	4.166¢
Refund Factor effective August 1, 1981, and continuing for 12 months or until Company has discharged its refund obligation from Case No. 7799-C	(.378)
Refund Factor effective September 1, 1981 and continuing for 12 months or until Company has discharged its refund obligation from Case No. 7799-D	(.670)
Refund Factor effective December 1, 1981 and continuing for 12 months or until Company has discharged its refund obligation from Case No. 7799-E	<u>(.074)</u>
Total Adjustment Per 100 Cubic Feet	3.044¢

IT IS THEREFORE ORDERED that the purchased gas adjustment sought by the L.G.&E. as set out in Finding (5) above be and is hereby approved to be effective, subject to refund, with gas supplied on and after March 1, 1982.

IT IS FURTHER ORDERED that L.G.&E. shall increase the refundable amount allowed in Case 7799-E in the amount of \$116,127 to reflect the overcollections due to the untimely filing of this instance case. The refund shall be adjusted upward or downward when actual figures are available for the month of January 1982.

IT IS FURTHER ORDERED that within 30 days after the date of this Order, L.G.&E. shall file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that for the purpose of the future application of the purchased gas adjustment clause of L.G.&E. the base rate for purchased gas shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$3.15	312.02¢

IT IS FURTHER ORDERED that the information furnished this Commission by L.G.&E. in this case constitutes full compliance with the Commission's Order No. 8284, and any other information ordinarily required to be filed under the Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 18th day of February,
1982.

PUBLIC SERVICE COMMISSION

Marlin M. Volk
For the Commission

ATTEST:

Secretary