

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE REQUEST OF B & H GAS COMPANY)
FOR APPROVAL OF EMERGENCY PURCHASES)
OF NATURAL GAS FROM KENTUCKY-WEST) CASE NO. 8475
VIRGINIA GAS COMPANY FOR 120 DAYS)
AND APPROVAL OF A SURCHARGE)

O R D E R

On or about January 11, 1982, B & H Gas Company ("B & H") notified the Commission by telephone that it did not have sufficient gas to supply its customers' needs at that time and requested approval for emergency deliveries from Kentucky-West Virginia Gas Company ("Kentucky-West") for a period of 120 days. B & H was advised to file information requesting a surcharge to recover the cost of the emergency purchases from Kentucky-West.

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

1. On January 14, 1982, an invoice was received from B & H showing gas deliveries from Kentucky-West for December, 1981. Upon receipt of this document, numerous communications were made requesting additional information on which to base a decision with regard to emergency purchases of gas from Kentucky-West. Subsequently on February 16, 1982, a second invoice was received showing gas purchases from Kentucky-West for the month of January, 1982.

The Commission has continued to request more adequate and complete information from B & H. B & H has failed or refused to provide the requested information.

2. Because it has not received adequate information in this filing, the Commission must base its decision on estimated sales. The sales for February and March 1982 for Kentucky-West are estimated. The sales for B & H's two suppliers, Gypsy Hughes and Bradley and Son, are for March, April, May and June, 1981.

3. The adjustment is based on B & H's need to make emergency purchases from Kentucky-West. Further, B & H is not in a financial position that would allow it to absorb this increased cost.

4. B & H does not have sufficient gas to supply its customers' needs at the present time. Its request for emergency deliveries of natural gas from Kentucky-West is in the best interest of the customer and should be approved. The emergency purchases have been approved by the Federal Energy Regulatory Commission ("FERC") beginning December 1, 1981, for a period of 120 days. The rate to be charged for the emergency purchases is to be the same rate charged city gate customers under rate schedule GSS-1 of Kentucky-West FERC Tariff No. 1. At this time the rate is 143.89 cents per dekatherm which converts to 173.78 cents per Mcf.

5. The additional cost for the emergency purchases will be approximately \$2,450 and should be collected in the form of a surcharge to be added to the existing rates of B & H. The

surcharge should be 30 cents per Mcf and should be applied to the billing for the months of March, April, May and June, 1982. All amounts recovered should be applied first to satisfy B & H's account with Kentucky-West.

6. B & H should maintain its records in such a manner that at the end of June 1982, any over collection or under collection can be readily determined.

IT IS THEREFORE ORDERED that B & H's request to make emergency gas purchases from Kentucky-West is in the public interest and is hereby approved for a period of 120 days beginning December 1, 1981.

IT IS FURTHER ORDERED that B & H shall recover the additional cost of emergency gas purchases from Kentucky-West in the form of a surcharge to be added to the present rates now being charged by B & H. The amount of the surcharge shall be 30 cents per Mcf of gas sold and shall be applied to the billings for the months of March, April, May and June, 1982.

IT IS FURTHER ORDERED that all amounts recovered shall be applied first to satisfy B & H's account with Kentucky-West.

IT IS FURTHER ORDERED that B & H shall maintain its records in such a manner that at the end of June 1982, any over collection or under collection can be readily determined.

Done at Frankfort, Kentucky, this 10th day of March, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohz
Chairman

Katharine Bausell
Vice Chairman

Jim Carrigan
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8475 DATED MARCH 10,
1982

The following rates are prescribed for the customers in the area served by B & H Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect prior to the date of this Order.

RATES: Monthly

First	2,000 Cu. Ft.	\$ 4.1040 (Minimum Bill)
Next	8,000 Cu. Ft.	1.8020 per Mcf
Next	20,000 Cu. Ft.	1.5520 per Mcf
Over	30,000 Cu. Ft.	1.4020 per Mcf

There shall be a surcharge in the amount of 30 cents per Mcf applied to billings for the months of March, April, May and June 1982.