

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF PHELPS) CASE NO. 8562-H
GAS COMPANY, INC.)

O R D E R

On November 30, 1982, the Commission issued its Order in Case No. 8562 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 or decreased or a refund is received.

On November 18, 1983, Phelps Gas Company, Inc., ("Phelps") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas of Kentucky, Inc., ("Columbia") and that it had refunds due its customers. It submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission and filed proposed revised tariffs to be effective November 1, 1983. On November 28, 1983, Phelps filed a revised refund plan and tariffs.

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

(1) Phelps' notice of November 18, 1983, set out certain revisions in rates which Phelps proposed to place into effect,

said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$3,307 or 11.3 cents per Mcf.

(2) On August 10, 1983, and October 6, 1983, Columbia filed applications with the Commission for decreased rates to become effective September 1, 1983. On August 12, 1983, in Case No. 8562-F, and October 6, 1983, in Case No. 8562-G, Phelps requested permission to track Columbia's decreases. By Orders issued August 23, 1983, and October 24, 1983, the Commission approved Phelps' filings effective September 1, 1983. Subsequent to Phelps placing these rates into effect, Columbia filed on November 4, 1983, revised tariffs to be effective September 1, 1983.

(3) Due to the retroactive nature of Columbia's decrease, Phelps proposes to implement adjusted rates November 1, 1983, and refund \$209 in overcollections from September and October, in the November billing. Phelps should report to the Commission any excess revenues collected during the period from November 1, 1983, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(4) A refund factor of \$0.08 per Mcf should be used as a reduction in the purchased gas adjustment for a period of one month or until such time as the full amount of overcollections has been refunded to Phelps' customers. The refund should begin with meter readings taken on November 1, 1983, or as soon as practical thereafter.

(5) Phelps' adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8562 dated November 30, 1982, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1983.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1983.

IT IS FURTHER ORDERED that Phelps shall apply a refund factor in the amount of \$0.08 per Mcf as a reduction in the approved purchased gas adjustment beginning with meter readings taken on November 1, 1983, or as soon as practical thereafter, and this refund factor shall remain in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount of overcollections. The refund factor will terminate when the amount refunded equals the amount herein reported.

IT IS FURTHER ORDERED that the revised tariffs submitted November 28, 1983, shall be accepted for filing.

IT IS FURTHER ORDERED that within 30 days from the date the refund factor is terminated Phelps shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 14th day of December, 1983.

PUBLIC SERVICE COMMISSION


CHAIRMAN


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8562-H DATED DECEMBER 14, 1983.

The following rates and charges are prescribed for the customers served by Phelps Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$9.14 Minimum Bill
Over 1 Mcf	6.84 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Phelps Gas Company, Inc., shall be:

Columbia Gas of Kentucky, Inc.	<u>Commodity</u> \$5.612 per Mcf
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