

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE) CASE NO. 8616-D
GAS AND ELECTRIC COMPANY)

ORDER

On March 2, 1983, the Commission issued its Order in Case No. 8616 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 January 3, 1984, Louisville Gas and Electric Company ("LG&E") notified the Commission that its wholesale cost of gas would be increased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective February 1, 1984, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) On November 28, 1983, Texas Gas filed revised tariffs with the Federal Energy Regulatory Commission ("FERC") to be effective January 1, 1984, reflecting the increase of

.53 cents per Mcf in the Gas Research Institute ("GRI") funding charge authorized by Opinion No. 195 in FERC Docket No. RP 83-95.

(2) Due to the relatively small increase and its preference for a single rate change, LG&E proposed, by letter dated December 2, 1983, to delay the effective date of the GRI funding charge to coincide with Texas Gas' semi-annual purchased gas adjustment effective February 1, 1984. LG&E further proposed to recoup the unrecovered increase in the cost of January purchases (approximately \$27,000) by reducing the refundable balance from Case No. 8616-A by such unrecovered amount.

(3) On December 22, 1983, Texas Gas made two rate filings with the FERC to be effective February 1, 1984. The first, a decrease pursuant to a FERC Order in Docket No. RP 79-28 issued October 4, 1983, and the second, an application for increased rates pursuant to Texas Gas' purchased gas adjustment clause.

(4) LG&E's notice of January 3, 1984, set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on the overall wholesale increase in price from its supplier in the amount of \$2,023,651, of which \$48,326 is applicable to gas used for Electric Department fuel and \$1,975,235 is applicable to LG&E gas customers. The result is an upward adjustment in the purchased gas adjustment of 0.429 cents per 100 cubic feet.

(5) LG&E's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8616 dated March 2, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1984, subject to refund. The rates should be subject to refund because Texas Gas' rates are subject to refund.

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 February 1, 1984, subject to refund.

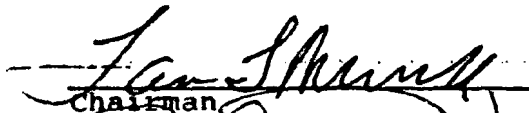
IT IS FURTHER ORDERED that LG&E shall reduce the refundable balance from Case No. 8616-A by the unrecovered increase in January cost of gas at a rate of .53 cents per Mcf.

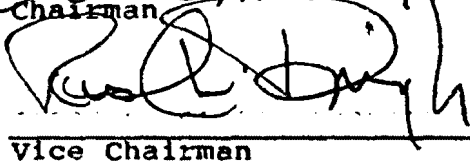
IT IS FURTHER ORDERED that within 30 days of the date of this order LG&E shall file a statement with this Commission detailing the amount of undercollection resulting from Texas Gas purchases during January 1984, and the reduction in the refundable balance from Case No. 8616-A.

IT IS FURTHER ORDERED that within 30 days of the date of this Order LG&E shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 20th day of January, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8616-D DATED JANUARY 20,
1984.

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. 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 date of this Order.

Purchased Gas Adjustment:

PGA corresponding to Base Supplier Rate	(3.248)¢
Refund Factor effective April 1, 1983, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-A	(.057)
Refund Factor effective August 1, 1983 and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-B	(.465)
Refund Factor effective October 1, 1983, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-C	<u>(.071)</u>
Total Adjustment Per 100 Cubic Feet	(3.841)¢

The base rates for the future application of the purchased gas adjustment clause of Louisville Gas and Electric Company shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$6.72	334.71¢