

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. 8924-B
GAS AND ELECTRIC COMPANY)

O R D E R

On June 25, 1984, the Commission issued its Order in Case No. 8924 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 August 10, 1984, Louisville Gas and Electric Company ("LG&E") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective August 1, 1984, and that it had overcollections due its customers. LG&E 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 June 27, 1984, Texas Gas filed an application with the Federal Energy Regulatory Commission for revised rates to become effective August 1, 1984. On July 3, 1984, in Case No. 8924-A, LG&E requested permission to track Texas Gas' rates. By Order issued July 20, 1984, the Commission approved LG&E's filing

effective August 1, 1984. Subsequent to LG&E placing these rates into effect, Texas Gas filed on August 2, 1984, revised rates to be effective August 1, 1984.

(2) LG&E's notice of August 10, 1984, set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$1,999,374 of which \$51,620 is applicable to gas used for Electric Department fuel and \$1,947,754 is applicable to LG&E gas customers. The result is a downward adjustment in the purchased gas adjustment of 0.378 cents per 100 cubic feet.

(3) Inasmuch as the filing of revised tariffs by Texas Gas was too late for LG&E to make timely filings before August 1, 1984, LG&E has proposed to implement reduced rates effective September 1, 1984, and refund any excess revenues collected during the period from August 1, 1984, to September 1, 1984, to its customers.

(4) The total estimated refundable amount to LG&E's gas customers is \$156,022. LG&E proposed to establish a refund factor of 0.035 cents per 100 cubic feet effective September 1, 1984, and continuing for 12 months or until such refund obligation has been discharged. LG&E also proposed to adjust the refundable amount of \$156,022 upward or downward, as the case may be, when actual figures are available.

(5) LG&E should refund the amount reported in its application plus interest at a rate equal to the average of the "3-Month Commercial Paper Rate" 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 the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

(6) LG&E's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8924 dated June 25, 1984, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1984.

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, 1984.

IT IS FURTHER ORDERED that LG&E shall apply a refund factor in the amount of 0.035 cents per 100 cubic feet of gas as a reduction in the the purchased gas adjustment beginning on September 1, 1984, and remaining in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount received. The refund factor will terminate when the amount refunded equals the refund herein reported plus interest.

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

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

Done at Frankfort, Kentucky, this 29th day of August, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Homan Jr.
Chairman

Robert L. ...
Vice Chairman

Lawrence ...
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8924-B DATED 8/29/84

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 | 0.293¢ |
| Refund Factor effective October 1, 1983, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-C | (0.071) |
| Refund Factor effective April 1, 1984, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-E. | (0.110) |
| Refund Factor effective September 1, 1984, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8924-B. | <u>(0.035)</u> |
| Total Adjustment Per 100 Cubic Feet | 0.077¢ |

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 | \$6.47 | 333.08¢ |