

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED )  
GAS ADJUSTMENT FILING OF ) CASE NO. 8929-H  
ELAM UTILITY COMPANY )

O R D E R

On May 2, 1984, the Commission issued its Order in Case No. 8929 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 June 27, 1985, Elam Utility Company ("Elam") notified the Commission that it had received a refund from Columbia Gas Transmission Corporation ("Transmission"). The refund is the result of Federal Energy Regulatory Commission Opinion No. 202-A issued November 8, 1984, pertaining to the Columbia LNG minimum bill issue.

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

(1) Elam has received a refund in the amount of \$743 from its supplier to be refunded to its customers.

(2) A refund factor of 71 cents per Mcf should be used as a reduction in the purchased gas adjustment.

(3) The refund factor should remain in effect for one month or until such time as the full amount plus interest has been returned to Elam's customers.

(4) The refund should begin with meter readings taken on August 1, 1985, or as soon as practical thereafter.

(5) Elam should refund the amounts reported in its application plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" 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.

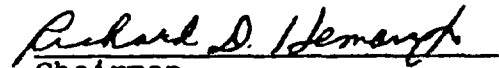
IT IS THEREFORE ORDERED that Elam shall apply a refund factor in the amount of 71 cents per Mcf as a reduction in the approved purchased gas adjustment beginning with meter readings taken on August 1, 1985, or as soon as practical thereafter, and this refund factor shall remain in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount 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 Elam 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 of the date of this Order Elam shall file with this Commission its revised tariffs setting out the refund factor authorized within. All other rates and charges shall remain in full force and effect.

Done at Frankfort, Kentucky, this 9th day of July, 1985.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary