

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) CASE NO. 8981
KENTUCKY-WEST VIRGINIA GAS COMPANY)

O R D E R

On March 22, 1985, the Commission issued its Order in this case directing B & H Gas Company ("B & H") to file a plan to refund overcollections to its customers. The overcollections resulted from B & H's surcharge of 58 cents per Mcf during 1984.

On April 17, 1985, B & H requested permission to retain the \$1,760 in overcollections to offset its December, 1984, gas purchase cost from Kentucky-West Virginia Gas Company ("Ky-West"). B & H stated that its customers were not charged for gas purchased from Ky-West in December, 1984. An Order issued February 28, 1985, in Case No. 8735-B allowed B & H to recover the cost of its Ky-West purchases effective January 23, 1985. B & H did not make a timely application for an earlier approval.

The Commission recognizes B & H's financial situation but echoes its previous Order that the 58 cent surcharge produced excess revenues that should be returned to B & H's customers. The surcharge over-recovery should not be used to satisfy current expenses of B & H.

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

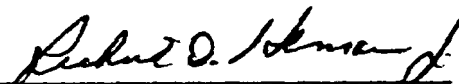
1. B & H should refund \$1,760 in surcharge overcollections to its customers as soon as possible.

2. All provisions of the Commission's Order issued March 22, 1985, in this case should remain in full force and effect.

IT IS THEREFORE ORDERED that within 30 days of the date of this Order B & H shall comply with the provisions of the Commission's March 22, 1985, Order in this case.

Done at Frankfort, Kentucky, this 11th day of July, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commission

ATTEST:

Secretary