

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF SIGMA GAS)
CORPORATION FOR ADJUSTMENT) CASE NO. 98-244
OF RATES)

O R D E R

On December 1, 1998, Sigma Gas Corporation (Sigma) filed a response to the Commission's Order of October 27, 1998, which required Sigma to file a report of amounts refunded by December 1, 1998.

The Order of October 27, 1998 levied a fine of \$5,000 on Sigma as set out in Appendix A, Settlement Agreement, paragraph 7, for certain violations among which was the collection of unauthorized late payment penalties. The fine was abated contingent upon Sigma refunding the unauthorized charges for late payments.

The Response filed by Sigma states that two of the unauthorized charges have been refunded. However, the Response also states that the late payment penalties in the amount of \$21,698 will be refunded over a period of five years, which is equivalent to the time period in which they were collected. Sigma further states that the repayment period will not begin until Sigma obtains Commission approval of refinancing.

It is not reasonable for the Commission to order the refund of unauthorized fees contingent upon Sigma's obtaining financing.

The Commission finds that Sigma should make full refund of the unauthorized late payment penalties within six months of the date of this Order.

Sigma should submit a refund plan to the Commission with a list of customers due refunds and the amount of refund per customer. The refund plan should provide for refunds to be paid monthly and should be structured to pay one-sixth of the total amount to be refunded in each month of the six-month refund period. The plan may provide for credit to customers bills, rather than payments directly to the customers. Sigma should describe the efforts it will make to locate customers to whom refunds are due.

Sigma should submit to the Commission the status of its loan application with the Department of Local Government (DLG). Recognizing the fact that Sigma has a present outstanding loan to DLG, Sigma should submit to the Commission its current payment status as well as its plans to pay its present loan balance to DLG without considering the proposed refinancing plan.

IT IS THEREFORE ORDERED that:

1. The request of Sigma for a five-year plan for refunding of unauthorized fees is denied.
2. Sigma shall make a full refund of the late payment fees it has collected within six months from the date of this Order.
3. Sigma shall submit a refund plan to the Commission with a list of customers to whom refunds are due. The refund plan shall be structured to pay one-sixth of the total refund each month over the six-month period. The refund plan may provide for credit to delinquent customers bills, rather than payments directly to the customers, if those customers are due any refund. Sigma s plan shall set out the efforts it will make to locate customers to whom refunds are due. The refund plan shall provide

for monthly reports of the amounts refunded, listing the customers to whom refunds have been made each month.

4. Sigma shall submit to the Commission the status of its loan application with DLG.

5. Sigma shall submit to the Commission its plans to pay its present loan balance to DLG, and shall include the amount of principal and interest paid since 1994.

6. The \$5,000 fine is further held in abeyance pending the filing by Sigma of the documents required by this Order and completion of the refund.

Done at Frankfort, Kentucky, this 14th day of January, 1999.

By the Commission

ATTEST:

Executive Director