

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

A PURCHASED GAS ADJUSTMENT)
FILING BY OHIO RIVER GAS) CASE NO. 6671-V
COMPANY, INC.)

O R D E R

On January 18, 1977, the Commission entered its Final Order in Case No. 6671, in which it prescribed new base rates and a Purchased Gas Adjustment Clause setting forth the wholesale rates upon which future purchased gas adjustments should be based when the wholesale cost of gas is increased, decreased or refunds are received.

On October 13, 1980, Ohio River Gas Company, Inc., notified the Commission that its supplier, Texas Gas Transmission Corporation (Texas Gas), had filed with the Federal Energy Regulatory Commission (FERC) increased rates to become effective November 1, 1980.

On September 29, 1980, Texas Gas tendered for filing proposed changes in its FPC Tariff, Third Revised Volume No. 1, to become effective November 1, 1980.

Texas Gas has also advised their customers that curtailment below quantity entitlement volumes is not expected to occur on their system in the anticipated future. Therefore, the Applicant's cost of purchased gas will increase as a result of the elimination of curtailment related demand charge credits. Because quantity entitlement volumes are available from Texas Gas, this filing reflects the elimination of future demand charge credits from the Purchased Gas Adjustment calculation.

The estimated annual increase in revenue as a result of the Applicant's filing of October 13, 1980, is \$17,070 or 15.7¢ per Mcf.

The Applicant, in compliance with its tariff and previous Orders of this Commission, submitted with its Notice certain information including verification of the rates and charges of its supplier.

After reviewing this evidence of record and being advised, the Commission is of the opinion and finds:

(1) That the Energy Regulatory Commission is being asked to approve a price increase already approved by the Federal Energy Regulatory Commission when it granted the Applicant's supplier, Texas Gas Transmission Corporation, a wholesale gas cost increase. We are of the opinion that failure to allow this increase to be passed through to its retail consumers on a timely basis would be unfair and unjust to the Company and would ultimately result in higher rates to their consumers in any event. The Commission has (in writing) indicated its opposition to the procedures and regulations used by the Federal agency in approving these supplier increases since 1975. We continue to be opposed and are continuing to seek alternative ways to overcome the regulatory inequities which have such a direct impact on the retail consumers.

(2) That the Applicant's supplier, Texas Gas, has filed for increased rates to become effective November 1, 1980.

(3) That the Application filed October 13, 1980, reflected Texas Gas' rates as filed with the FERC on September 29, 1980, to be effective November 1, 1980.

(4) That the magnitude of this filing exposes the Applicant to substantial under-recovery of its gas cost if the rates are not implemented in a timely manner.

(5) That the Commission should waive its policy of requiring evidence of FERC acceptance in this case and allow the Applicant to place into effect subject to refund the rates set out in Appendix "A".

(6) That the Applicant's Base Supplier Rate for purchased gas will be as follows:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$2.97	221.42¢

(7) That the Applicant's adjustment in rates under the Purchased Gas Adjustment provisions approved by the Commission in its Order in Case No. 6671, dated January 18, 1977, is fair, just, reasonable and in the public interest and should be effective subject to refund with gas supplied on and after the date the increased cost of wholesale gas becomes effective.

IT IS THEREFORE ORDERED that the Purchased Gas Adjustment sought by the Applicant as set out in Appendix "A" attached hereto and made a part hereof, be and the same, is hereby approved to be effective, subject to refund, with gas supplied on and after the date the increased cost of wholesale gas becomes effective.

IT IS FURTHER ORDERED that for the purpose of the future Application of the Purchased Gas Adjustment Clause of Applicant the Base Rate for purchased gas shall be:

	<u>Demand</u>	<u>Commodity</u>
Texas Gas Transmission Corporation		
Rate G-4	\$2.97	221.42¢

IT IS FURTHER ORDERED that Ohio River Gas Company, Inc., shall maintain its record in such manner as will enable it, or the Commission, or any of its customers, to determine the amount to be refunded and to whom due in the event a refund is ordered by the Commission.

IT IS FURTHER ORDERED that within thirty (30) days after the date of this Order, Applicant shall file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the information furnished this Commission by Applicant on October 13, 1980, constitutes full compliance with the Commission's requirements and Order in Case No. 6671, and any other information ordinarily required to be filed under the Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 28th day of October, 1980.

ENERGY REGULATORY COMMISSION


By the Commission

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY
COMMISSION IN CASE NO. 6671-V DATED OCTOBER 28, 1980

The following rates are prescribed for the customers in the area served by Ohio River Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

RATES:

Applicable to All Rate Schedules

Purchased Gas Adjustment

To each bill rendered under all rate schedules there shall be added an amount equal to: 14.52¢ per Mcf of gas used during the billing period.