

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

A PURCHASED GAS ADJUSTMENT)
FILING OF WESTERN KENTUCKY) CASE NO. 7157-0
GAS COMPANY)

O R D E R

On December 6, 1978, the Commission entered its Final Order in Case No. 7157 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, decreased or refunds are received.

On January 29, 1980, the Applicant, Western Kentucky Gas Company filed its Notice and Application with the Commission stating that on November 20, 1979, the Company was notified by Texas Gas Transmission Corporation (Texas Gas) that a settlement in their general rate case had been approved. This resulted in a slight decrease in the Zone 3 rate. A small refund was received in the amount of \$12,965.46 applicable to this settlement for the period April 1, 1979 through October 31, 1979.

On November 12, 1979, the Company was notified by Tennessee Gas Pipeline Company (Tennessee Gas) that a settlement had been approved in their general rate increase. This settlement was also effective for billings retroactively to November 1, 1979.

Both the Texas Gas and Tennessee Gas rate reduction were reflected in Case No. 7157-M, effective January 1, 1980, but as a result of the retroactive decrease in cost of gas, the Company collected excess revenues of \$35,935.82.

Certain of the Company's local production contracts track the Texas Gas rate. As a result of the Texas Gas reduction, a refund obligation of \$302.35 is attributable to local production purchases for the period April 1, 1979 through October 31, 1979.

The total refundable amount in the filing is \$49,203.63. The Company proposes to refund this amount to its customers over a period of four months in accordance with the refund provisions of the Company's Purchased Gas Adjustment Clause beginning on

March 1, 1980, said adjustment being designed to pass on to its customers a reduction in the amount of \$.0038 per thousand cubic feet of gas and that said adjustment be eliminated when the full amount to be refunded has been returned to the Company's customers.

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

(1) That the Applicant has received refunds in the amount of \$49,203.63 from their suppliers, Texas Gas Transmission Corporation and Tennessee Gas Pipeline Company and the Company's local Production Contracts.

(2) That a Refund Factor in the amount of \$.0038 per thousand cubic feet of gas be used as a reduction in the Purchased Gas Adjustment.

(3) That said refund remain in effect until such time as the full amount has been returned to their customers.

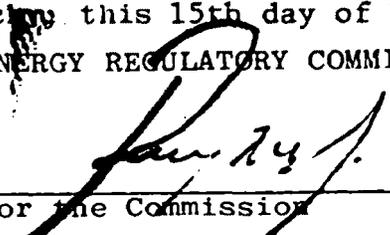
IT IS THEREFORE ORDERED that Western Kentucky Gas Company, apply a Refund Factor in the amount of \$.0038 per thousand cubic feet of gas as a reduction in the approved Purchased Gas Adjustment beginning March 1, 1980, and remain in effect until such time as necessary so that the refund will, nearly as possible, reflect the exact amount.

This Refund Factor will terminate at such period of time that the refundable amount equals the refund herein reported.

IT IS FURTHER ORDERED that the information furnished the Commission by Applicant in this case constitutes full compliance with the Commission's Order in Case No. 7157 and any other information ordinarily required to be filed under the Commission's Rules is hereby waived.

Done at Frankfort, Kentucky, this 15th day of February, 1980.

ENERGY REGULATORY COMMISSION



For the Commission

ATTEST:

Secretary