

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

A PURCHASED GAS ADJUSTMENT)
FILING OF WESTERN KENTUCKY) CASE NO. 7157-DD
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 June 3, 1981, Western Kentucky Gas Company (Applicant) filed its notice and application with the Commission stating that it had received a refund from one of its suppliers, Tennessee Gas Pipeline Company (Tennessee Gas).

On April 13, 1981, the Applicant received a refund in the amount of \$34,812.71 from Tennessee Gas, resulting from the disposition of a billing adjustment received by Tennessee Gas from Shell Oil Company, a producer-supplier of Tennessee Gas. Also included in the refund is the disposition of certain refunds pursuant to various Commission opinions and orders, as a result of negative NGPA well category determinations and as a result of corrections on invoices.

On May 15, 1981, the Applicant was notified by Tennessee Gas that two refunds totaling \$181,264.42 were reflected in the

form of a credit on the April 1981 gas invoice. These refunds represent the Applicant's share of a total refund from Tennessee Gas pursuant to the Second Stipulation and agreement in Docket No. RP77-62 and the disposition of a billing adjustment from Amoco Production Company, a producer-supplier of Tennessee Gas.

The total refundable amount in the filing is \$216,077.13. 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 July 1, 1981, said adjustment being designed to pass on to its customers a reduction in the amount of \$.0258 per thousand cubic feet of gas and that said adjustment be eliminated when the full amount to be refunded has been returned to the Applicant's customers.

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

1. The Applicant has received refunds in the amount of \$216,077.13 from its supplier Tennessee Gas.
2. A refund factor in the amount of \$.0258 per thousand cubic feet of gas be used as a reduction in the purchased gas adjustment.
3. The 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 \$.0258 per thousand cubic feet of gas as a reduction in the approved purchased gas adjustment beginning July 1, 1981, 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 this 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 June, 1981.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary