

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED GAS ADJUSTMENT	)	
FILING OF THE UNION LIGHT,	)	CASE NO. 7268-Y
HEAT AND POWER COMPANY	)	

O R D E R

On April 13, 1979, the Commission entered its Order in Case No. 7268, 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 August 18, 1981, Union Light, Heat and Power Company ("Applicant") notified the Commission that it seeks to make a refund on its refund adjustment bases, as stated under Paragraph B of its gas cost adjustment provisions, as approved by the Commission in Case No. 7268, by Order dated April 13, 1979, and as presently stated on Third Revised Sheet No. 9, and First Revised Sheet No. 15, of its gas tariff, E.R.C. Ky. No. 2.

The Amount available to the Applicant's customers has been determined to be \$991,335.81 which Applicant proposes to refund as described below.

(a) Amount available to off-peak customers has been determined to be \$88,706.97 and shall be refunded to the off-peak customers as a credit on the bill, as soon as practical.

(b) Amount available to firm customers, has been determined to be \$882,050.25 and shall be refunded to the firm customers at a rate of 7.8 cents per Mcf. The refund will be effectuated by reducing the applicable Gas Cost Adjustment by the current refunding rate of 11.0 cents per Mcf, as approved in Case No. 7268-Q, plus 7.8 cents per Mcf to equal total refunding rate of 18.8 cents per Mcf, for approximately the next twelve months until the monies have been substantially distributed. At that time, billing shall revert to the then prevailing purchased gas adjustment.

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

- (1) The Applicant has on hand \$991,335.81 to be refunded.
- (2) The refund shall begin with the Applicant's next billing cycle or as soon as practical.
- (3) The refund should remain in effect for 12 months or until such time as the full amount plus interest has been returned to its customers.
- (4) The Applicant should refund the amounts reported in its application plus interest at a rate equal to the average of the "3-Month Commercial Paper Rate" for the immediately preceding 12-month period less 1/2 of 1% to cover the costs of refunding. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

IT IS THEREFORE ORDERED that the Applicant shall refund to their customers a total of \$991,335.81 in refunds plus

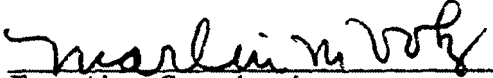
interest and that said refund shall begin with the Applicant's next billing cycle or as soon as practical.

IT IS FURTHER ORDERED that upon completion of the refund authorized herein the Applicant shall notify the Commission of said fact and the amount refunded by class of customer.

IT IS FURTHER ORDERED that the information furnished this Commission by the Applicant on August 18, 1981, constitutes full compliance with the Commission's requirements and Order in Case No. 7268, and other information ordinarily required under the Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 19th day of October, 1981.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary