

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF LOUISVILLE GAS) CASE NO. 7799-D
AND ELECTRIC COMPANY)

O R D E R

On September 24, 1980, the Commission issued its Order in Case No. 7799 approving certain adjustments in rates and providing under certain conditions for the further adjustment of rates when the wholesale cost of gas is increased, decreased or refunds are received.

On August 13, 1981, Louisville Gas and Electric Company ("Applicant") notified the Commission that they expect to receive from Texas Gas Transmission Corporation ("Texas Gas") over a period ending June 15, 1982, a total of 18 separate refunds aggregating approximately \$3,987,279.

In the interest of expediency, timeliness, and rate stability, Applicant proposes to establish a refund factor sufficient to pass the entire amount to be received along to its customers over a twelve-month period. Such a procedure will obviate the need for as many as 18 separate filings as the refunds are received.

The Applicant has calculated that \$3,893,357 of the total anticipated refund of \$3,987,279 is applicable to Applicant's Gas Department, the difference of \$93,922 being

applicable to gas purchased for Electric Department fuel. The Applicant has calculated a refund factor of .670¢ per 100 cubic feet, designed to return the amount of \$3,893,357 over a twelve-month period. To the extent that actual determinants vary from those estimated for the purpose of this calculation, Applicant proposed to adjust the refundable amount or the duration of the refund credit in accordance with past practice.

After the review of the notice and application filed in this case and being advised the Commission is of the opinion and finds that:

(1) The Applicant has an anticipated refund of \$3,987,279 to be refunded to its customers.

(2) The amount of \$3,893,357 of the total anticipated refund is applicable to the Gas Department and, \$93,922 should be applied to gas purchased for Electric Department fuel.

(3) The Applicant should refund said monies including interest over a twelve-month period beginning with Applicant's next billing cycle or as soon as practical.

(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 $\frac{1}{2}$ of the 1% to cover the costs of refunding. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

(5) The purchased gas adjustment of Applicant should be adjusted to the following:

PGA corresponding to Base Supplier	6.579¢
Refund Factor effective June 1, 1980, and continuing for twelve months or until company has discharged its obligation from Case No. 7301-F	(.021)
Refund Factor effective August 1, 1980, and continuing for twelve months or until Company has discharged its refund obligation from Case No. 7301-G	(.039)
Refund Factor effective November 1, 1981, and continuing for twelve months or until Company has discharged its refund obligation from Case No. 7799-A	(.011)
Refund Factor effective August 1, 1981, and continuing for twelve months or until Company has discharged its refund obligation from Case No. 7799-C	(.378)
Refund Factor effective September 1, 1981 and continuing for twelve months or until Company has discharged its refund obligation from Case No. 7799-D	<u>(.670)</u>
Total per cubic feet	5.460¢

IT IS THEREFORE ORDERED that Louisville Gas and Electric Company shall apply a refund factor in the amount of .670¢ per thousand cubic feet of gas as a reduction in the approved purchased gas adjustment beginning with the Applicant's next billing cycle, or as soon as practical, and remain in effect until such time as necessary so that the refund will, as nearly as possible, reflect the exact amount. The refund factor will terminate at such period of time that the refundable amounts equals the refund herein reported plus interest.

IT IS FURTHER ORDERED that the purchased gas adjustment of Applicant set forth in Finding No. 5 above be and the same is hereby approved to be effective for service rendered on and after the date of this Order, and that within 30 days of the date of this Order Applicant shall file with this Commission its revised tariff sheets setting out the purchased gas adjustment approved herein.

IT IS FURTHER ORDERED that for the purpose of the future application of the purchased gas adjustment the base rate shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Rate G-4	\$ 2.92	\$275.26

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. 7799 and any other information ordinarily required to be filed by the Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 21st day of October, 1981.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary