

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

A PURCHASED GAS ADJUSTMENT)
FILING BY OHIO RIVER GAS) CASE NO. 8041-E
COMPANY, INC.)

O R D E R

On May 12, 1981, the Commission entered its Order in Case No. 8041, 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 September 14, 1981, Ohio River Gas Company, Inc., ("Applicant") notified the Commission that its supplier, Texas Gas Transmission Corporation ("Texas Gas"), had filed with the Federal Energy Regulatory Commission ("FERC") decreased rates to become effective retroactively to August 1, 1981.

The rate adjustment proposed herein is based primarily upon Texas Gas' filing with the FERC to reflect downward modifications in the rates of two of Texas Gas' pipeline suppliers. FERC's Order issued July 30, 1981, accepted Texas Gas' August 1, 1981, PGA rates (reflected in the Applicant's Case No. 8041-C) subject to the condition they reflect any downward modifications

to Texas Gas' suppliers' rates. Texas Gas has proposed that these reduced rates be made retroactively effective to August 1, 1981. The Texas Gas tariff sheet setting forth its revised rates, along with a copy of Texas Gas' letter of transmittal to FERC is attached as Applicant's Exhibit A.

The estimated annual decrease in revenue as a result of the Applicant's filing of September 14, 1981, is \$1,609 or 1.9¢ 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 that:

(1) The Applicant's supplier, Texas Gas, has filed for decreased rates to become effective retroactively to August 1, 1981.

(2) The application filed September 14, 1981, reflected Texas Gas' rates as filed with the FERC on September 4, 1981, to be effective August 1, 1981.

(3) The estimated annual decrease in revenue as a result of the Applicant's filing of September 14, 1981, is \$1,609 or 1.9¢ per Mcf.

(4) 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	\$ 3.00	272.72¢

(5) The Applicant's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8041, dated May 12, 1981, is fair, just, and reasonable, in the public interest and should be effective with gas supplied on and after September 15, 1981.

(6) A refund should be made to the Applicant's customers based upon gas consumption billed at the August 1, 1981, rates approved by the Commission in Case No. 8041-C for the period from August 1 through September 14, 1981. Such refund should be made by means of a temporary rate reduction.

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 with gas supplied on and after September 15, 1981.

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	\$ 3.00	272.72¢

IT IS FURTHER ORDERED that a refund shall be made to the Applicant's customers based upon gas consumption billed at the August 1, 1981, rates approved by the Commission in Case No. 8041-C for the period from August 1 through September 14, 1981. Such refund shall be made by means of a temporary rate reduction.

IT IS FURTHER ORDERED that within 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 September 14, 1981, constitutes full compliance with the Commission's requirements and Order in Case No. 8041, and any other information ordinarily required to be filed under 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

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8041-E DATED OCTOBER 21, 1981

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: .19¢ per Ccf of gas used during the billing period.