

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

THE REQUEST OF B & H GAS COMPANY)
FOR APPROVAL OF EMERGENCY PURCHASES)
OF NATURAL GAS FROM KENTUCKY-WEST)
VIRGINIA GAS COMPANY FOR 120 DAYS) CASE NO. 8135
AND FOR APPROVAL OF A PURCHASED GAS)
ADJUSTMENT CLAUSE)

INTERIM ORDER

On January 29, 1981, B & H Gas Company (Applicant) filed their Notice and Application wherein they proposed to adjust the unit charges in all rate schedules pursuant to the Purchased Gas Adjustment Clause contained in the Company's E.R.C. Ky. No. 2 Tariff.

The Applicant further stated that the proposed adjustment is based upon the need to make emergency purchases of gas from Kentucky-West Virginia Gas Company and that the Applicant is not in a financial position that would allow them to absorb this increased cost.

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

(1) That the Applicant does not have on file with the Commission a Purchased Gas Adjustment Clause and that said clause should be considered at a later date.

(2) That the Applicant does not have sufficient gas to supply their customer's needs at the present time and their request for emergency deliveries of natural gas from Kentucky-West Virginia Gas Company is in the best interest of the customer and should be approved. The emergency purchases have been approved by the Federal Energy Regulatory Commission beginning January 7, 1981 for a period of 120 days. The rate to be charged for the emergency purchases is to be the same rates charged city gate customers under rate schedule GSS-1 of Kentucky-West Virginia Gas Company FERC Tariff No. 1. At the present time the rate is 126.29¢ per dekatherm which converts to 152.53¢ per Mcf.

(3) That the additional cost for the emergency purchases will be approximately \$4.22 and should be collected in the form of a surcharge to be added to the existing rates of the Applicant. The surcharge should be nineteen cents (19¢) per Mcf and should be applied to the billings for the months of February, March, April and May, 1981. (Billings to be for gas used during January - April, 1981)

(4) That the Applicant should maintain their records in such manner that at the end of the 120 day emergency purchase period, any over collection or under collection can be readily determined.

(5) That because of the emergency condition that now exists concerning gas purchases the need for a formal hearing on this portion of the application should be waived.

IT IS THEREFORE ORDERED That the Applicant's request for the approval of a Purchased Gas Adjustment Clause shall be considered at a later date.

IT IS FURTHER ORDERED That the Applicant's request for emergency gas purchases from Kentucky-West Virginia Gas Company is in the public interest and is hereby approved.

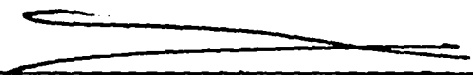
IT IS FURTHER ORDERED That the Applicant shall recover the additional cost of emergency gas purchases from Kentucky-West Virginia Gas Company in the form of a surcharge to be added to the present rates now being charged by the Applicant. The amount of the surcharge shall be nineteen cents (19¢) per Mcf of gas sold and shall be applied to the billings for the months of February, March, April and May, 1981.

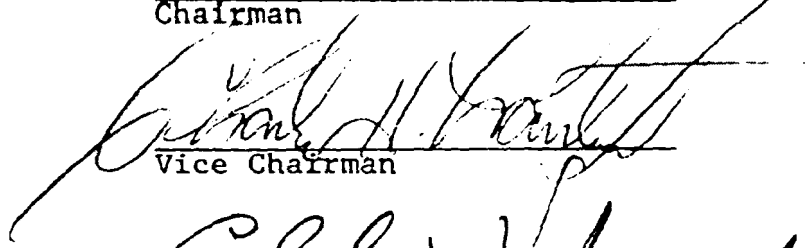
IT IS FURTHER ORDERED That the Applicant shall maintain their records in such manner that at the end of the 120 day emergency purchase period, any over collection or under collection can be readily determined.

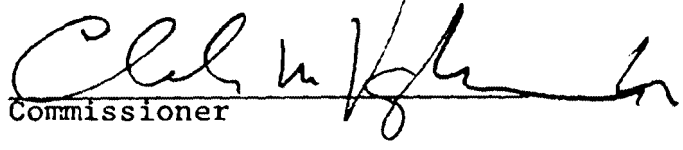
IT IS FURTHER ORDERED That because of the emergency condition that now exists concerning gas purchases the need for a formal hearing on this portion of the Application is hereby waived.

Done at Frankfort, Kentucky, this the 5th day of February, 1981.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary