

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

A PURCHASED GAS ADJUSTMENT)
FILING OF ELAM UTILITY COMPANY) CASE NO. 8178-C

O R D E R

On September 21, 1981, the Commission entered its Order in Case No. 8178, 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 a refund is received.

On October 13, 1981, Elam Utility Company ("Elam") filed its notice with the Commission seeking approval of a method to refund to its customers \$17,590.95 by credit on its billings over a five month period.

The Commission in its Order in Case No. 8178 ordered Elam to refund the amount of \$9,940.03 due to refunds received by Elam and to overcharges by Elam. Subsequent to the information supplied in that proceeding, Elam received refunds from its supplier through October 7, 1981, totaling \$7,561.09. Elam has overcharged its customers since the date of the Order in the amount of \$89.83 due to its base cost being higher than its supplier base rate.

The total amount of the refund ordered by the Commission, subsequent refunds, and overcharges is \$17,590.95. Elam proposes to refund this amount to its customers over a five month period in accordance with the refund provisions of Elam's purchased gas adjustment clause beginning on November 1, 1981, said adjustment being designed to pass on to its customers a reduction in the amount of \$.45 per Mcf and that said adjustment be eliminated when the full amount, plus interest, has been returned to Elam's customers.

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

- (1) Elam has \$17,590.95 to be refunded to its customers.
- (2) A refund factor in the amount of \$.45 per Mcf be used as a reduction in the purchased gas adjustment.
- (3) The said refund remain in effect for five months or until such time as the full amount, plus interest, has been returned to its customers.
- (4) Elam should refund the amounts reported in its application plus interest at a rate equal to the average of the "Three Month Commercial Paper Rate" for the immediately preceding 12 month period less $\frac{1}{2}$ 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 Elam Utility Company apply a refund factor in the amount of \$.45 per Mcf of gas as a reduction in the approved purchased gas adjustment beginning with Elam'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 amount equals the refund herein reported, plus interest.

IT IS FURTHER ORDERED that the information furnished this Commission by Elam in this case constitutes full compliance with the Commission's Order in Case No. 8178, and any other information ordinarily required to be filed under the Commission's Regulations is hereby waived.

Done at Frankfort, Kentucky, this 26th day of October, 1981.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary