

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE) CASE NO. 8616-C
GAS AND ELECTRIC COMPANY)

O R D E R

On March 2, 1983, the Commission issued its Order in Case No. 8616 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 or decreased or a refund is received.

On August 31, 1983, Louisville Gas and Electric Company ("LG&E") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective August 1, 1983, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) LG&E's notice of August 31, 1983, set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in price from its supplier in the amount of \$1,956,263, of which \$49,218 is applicable to gas used for

Electric Department fuel and \$1,907,045 is applicable to LG&E gas customers. The result is a downward adjustment in the purchased gas adjustment of 0.428 cents per 100 cubic feet.

(2) On August 22, 1983, Texas Gas filed an application for a downward modification of its August 1, 1983, purchased gas adjustment filing with the Federal Energy Regulatory Commission.

(3) Inasmuch as the filing by Texas Gas was too late for LG&E to make timely filings before August 1, 1983, LG&E proposes an effective date of October 1, 1983. LG&E will incur a refund obligation in connection with purchases from Texas Gas for the months of August and September 1983.

(4) The total estimated refundable amount to LG&E's gas customers is \$339,256, after reduction of \$16,646 for that portion applicable to gas used as Electric Department fuel. LG&E proposed that the estimated refund be added to the refundable balance in Case No. 8616-B since both refund obligations relate to Texas Gas decreases effective August 1, 1983. LG&E also proposed to adjust the refundable amount of \$339,256 upward or downward, as the case may be, when actual figures are available.

(5) The refund obligation arising from LG&E's August and September purchases from Texas Gas is a material amount and should be refunded to LG&E's customers as soon as possible. LG&E should establish a refund factor to discharge this obligation.

(6) LG&E's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8616 dated March 2, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after October 1, 1983.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after October 1, 1983.

IT IS FURTHER ORDERED that within 30 days of the date of this order LG&E shall file a plan to refund to its customers the amount of overcollection resulting from Texas Gas purchases during August and September 1983.

IT IS FURTHER ORDERED that within 30 days of the date of this Order LG&E shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 12th day of September, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
 COMMISSION IN CASE NO. 8616-C DATED
 SEPTEMBER 12, 1983

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Purchased Gas Adjustment:

PGA corresponding to Base Supplier Rate	(3.677)¢
Refund Factor effective April 1, 1983, and continuing for 12 months or until company has discharged its refund obligation from Case 8616-A	(.057)
Refund Factor effective August 1, 1983 and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-B	<u>(.465)</u>
Total Adjustment Per 100 Cubic Feet	(4.199)¢

The base rates for the future application of the purchased gas adjustment clause of Louisville Gas and Electric Company shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$6.64	331.05¢