

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS     )  
ADJUSTMENT FILING OF VALLEY     )     CASE NO. 6902-Q  
GAS, INC.                             )

ORDER

On February 12, 1978, the Commission issued its Order in Case No. 6902 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 February 27, 1984, Valley Gas, Inc., ("Valley") notified the Commission that it had overcollections due its customers 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. On July 19, 1983, the Commission issued its Order in Case No. 6902-0 approving rates to be effective August 1, 1983. These rates were based on a wholesale decrease in the cost of gas from Valley's supplier, Texas Gas Transmission Corporation ("Texas Gas").

2. Subsequent to Valley placing the above rates into effect, Texas Gas issued revised rates on August 22, 1983,

reflecting an additional wholesale decrease effective August 1, 1983, in the amount of 4.9 cents per Mcf. Valley failed to notify the Commission and adjust its retail rates for this additional decrease.

3. Valley proposes to refund \$1,355 in overcollections from its customers due to Texas Gas' rates issued August 22, 1983.

4. Valley proposes to apply a refund factor of 8 cents per Mcf as a credit to its customers' bills. The refund factor should begin with meter readings taken on March 1, 1984, or as soon as practical thereafter. The refund factor should remain in effect for 4 months or until such time as the full amount plus interest has been returned to Valley's customers.

5. Valley should refund the amount reported in its application plus interest at a rate equal to the average of the "3-month Commercial Paper Rates" for the immediately preceding 12-month period less 1/2 of 1 percent to cover the costs of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

IT IS THEREFORE ORDERED that Valley shall apply a refund factor of 8 cents per Mcf as a credit to its customers' bills. The refund factor shall begin with meter readings taken March 1, 1984, or as soon as practical thereafter, and shall remain in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount reported herein. The refund factor will terminate when the amount refunded equals the amount herein reported plus interest.

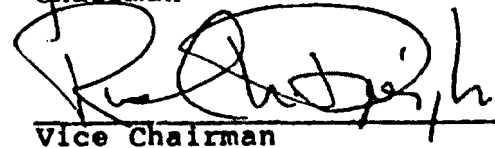
IT IS FURTHER ORDERED that within 30 days of the date of this Order Valley shall file with this Commission its revised tariffs setting out the refund factor authorized herein. All other rates and charges shall remain in full force and effect.

IT IS FURTHER ORDERED that within 30 days from the date the refund factor is terminated Valley shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 12th day of March, 1984.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary