

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF COLUMBIA) CASE NO. 8738-L
GAS OF KENTUCKY, INC.)

O R D E R

On July 5, 1983, the Commission issued its Order in Case No. 8738 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 October 3, 1984, Columbia Gas of Kentucky, Inc., ("Columbia") notified the Commission that it has received refunds from its suppliers, Columbia Gas Transmission Corporation ("Transmission") and Columbia LNG Corporation ("LNG"), and has overcollections due its customers. Columbia 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. Columbia has received refunds in the amount of \$214,832 from Transmission and \$187,852 from LNG to be refunded to its customers.

2. Columbia proposes to refund \$70,239 in overcollections due to the lag between the effective date of the rates approved in Case No. 8738-I, and the date of the initial billing.

3. Columbia proposes to adjust the amount of the refund applicable to General Service Low Pressure customers by \$51,118 which reflects an overrefund in Case No. 8738-F.

4. Columbia proposes to refund \$276,473 to its General Service Low Pressure customers by crediting customer bills with a refund factor of \$0.0294 per Mcf. The refund factor should begin with meter readings taken on November 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 Columbia's customers.

5. Columbia proposes to refund \$145,332 by check to customers served under all other rate schedules. These refunds reflect individual computations for each customer based on usage during the refund calculation period.

6. Columbia should refund the amounts 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 Columbia shall refund \$145,332 by check to customers served under rate schedules other than

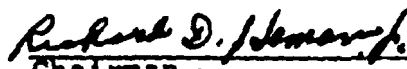
General Service Low Pressure. Columbia shall refund \$276,473 to its General Service Low Pressure customers by applying a refund factor in the amount of \$0.0294 per Mcf to its customers' bills. The refund factor shall begin with meter readings taken November 1, 1984, or as soon as practical thereafter, and shall remain in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount received. The refund factor will terminate when the amount refunded equals the refund herein reported plus interest.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Columbia 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 Columbia shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 19th day of October, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary