

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In The Matter of:

THE REQUEST OF B&H GAS COMPANY)
FOR APPROVAL OF EMERGENCY PURCHASES) CASE NO.
OF NATURAL GAS FROM KENTUCKY WEST) 8981
VIRGINIA GAS COMPANY)

O R D E R

On March 2, 1984, the Commission approved a request from B&H Gas Company ("B&H") to make emergency purchases from Kentucky West Virginia Gas Company ("Kentucky West") for 91 days, effective January 1, 1984, and to recover the additional cost of the emergency purchases by applying a 58 cent surcharge to customers' bills on a usage basis.

On April 27, 1984, the Commission approved a request from B&H for an extension of the surcharge beyond the approved 91-day period to balance its account with Kentucky West. As of the end of March, the surcharge revenues collected did not cover the purchased gas costs from Kentucky West for January and February, 1984.

On June 28, 1984, the Commission received a request from B&H for another extension of the surcharge to collect \$8,012 that it stated was needed to balance the account with Kentucky West. B&H had failed to reduce the \$8,012 by the \$1.00 per Mcf included in the base rates for the cost of gas. This \$1.00 amount should have been applied to the approximately 5,150 Mcf

purchased from Kentucky West and then deducted from the \$8,012. Therefore, the amount B&H needed to balance its account with Kentucky West was \$2,862. On August 29, 1984, the Commission approved B&H's request for an extension of the 58 cent surcharge to be applied to billings after May, 1984, until the \$2,862 had been collected.

On October 22, 1984, B&H filed a report showing the amount of revenue collected through September, 1984, by the 58 cent surcharge. B&H stated in this report that an additional \$4,926 needed to be collected. According to the Commission's calculations as shown in Appendix B to this Order, B&H has overcollected \$794 as of September 30, 1984.

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

1. B&H should cease charging the 58 cent surcharge immediately.

2. B&H should file with the Commission a statement of total gas surcharge revenue collected since January 1, 1984. Any amount over \$15,320 should be refunded to B&H's customers through the next heating season by deducting this amount from any balance purchased from Kentucky West or any other emergency supplier.

IT IS THEREFORE ORDERED that B&H should cease billing the 58 cent surcharge immediately.

IT IS FURTHER ORDERED that, within 30 days from the date of this Order, B&H shall file with the Commission a statement of total gas surcharge revenues collected since January 1, 1984.

Any amount over \$15,320 shall be due and refundable to the customers of B&H during the next heating season.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that within 30 days from the date of this Order B&H shall file its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky this 13th day of November, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Deming
Chairman

R. D. Deming
Vice Chairman

John Shuck
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8981 DATED 11/13/84

The following rates are prescribed for the customers in the area served by B&H Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect prior to the date of this Order.

| <u>RATES</u> | Monthly | |
|--------------|---------|-------------------------|
| First | 2 Mcf | \$5.4807 (Minimum Bill) |
| Next | 8 Mcf | 2.5183 per Mcf |
| Next | 20 Mcf | 2.1965 per Mcf |
| Over | 30 Mcf | 2.0033 per Mcf |

APPENDIX B

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8981 DATED 11/13/84

| | | |
|--|-----------------|--------------------|
| Purchased Gas Cost (per Kentucky West's bills) | | \$27,962.74 |
| Less: Amount in base rates to cover cost of gas | \$5,150.00 | |
| Credits issued from Kentucky West | 1,842.01 | |
| Refund from 1983 | <u>5,651.00</u> | <u>\$12,643.01</u> |
| Amount of Surcharge Revenue that should be collected | | \$15,319.73 |
| Amount of Surcharge Revenue collected | | <u>\$16,114.10</u> |
| Amount overcollected | | <u>\$ 794.37</u> |