

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

NOTICE OF PENDLETON COUNTY)
WATER DISTRICT, GAS DIVISION,)
TO INCREASE BASIC GAS RATES,) CASE NO. 8568
TO IMPOSE A TEMPORARY GAS)
SURCHARGE TO PAY ITS SUPPLIERS)
AND MOTION FOR ITERIM RATES)

O R D E R

IT IS THEREFORE ORDERED that:


(1) The Staff Report for Pendleton County Gas Division attached hereto as Appendix A shall be included as a part of the record in this proceeding.

(2) Pendleton County Gas Division shall have 10 days from the date of this Order to file written comments concerning the contents of Appendix A.

Done at Frankfort, Kentucky, this 9th day of June, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

STAFF REPORT

ON

PENDLETON COUNTY GAS DIVISION

Prepared By:

**Kenneth D. Ramey
Public Utility Rate
Analyst, Chief**

PENDLETON COUNTY GAS DIVISION

CASE NO. 8568

INTERIM SURCHARGE TIME PERIOD AND
AMOUNTS OF MCFS SOLD

In Pendleton County Gas Division's Case No. 8568, the Commission issued an Interim Order on November 24, 1982, which included a surcharge of \$.6395 per Mcf in the rates and charges. On June 10, 1983, the Commission issued an Order in Case No. 8568 establishing a permanent surcharge of \$1.01 per Mcf. In the ongoing proceedings of this case, it has not been established what amount of gas was sold during the time the \$.6395 per Mcf surcharge was in effect. Therefore, the Commission has decided that a review of Pendleton's records should be made to determine the amount of gas sold during this time period.


A meeting to examine the records was arranged with Mr. Harry Asher, Manager of Pendleton, for May 20, 1986. At that time, the computer printouts of individual billings and a billing analysis prepared on a monthly basis by Pendleton were reviewed to make the determination. The examination of the computer printout of individual billings revealed that the \$.6395 per Mcf surcharge was put into effect in December 1982 and was charged to the customers every month through June 1982.

To verify the reasonableness of the methodologies, both were compared to the sales as reported in Pendleton's 1983 and 1984 annual reports. The comparison revealed a variance factor of .06 of 1% in Pendleton's billing analysis and a variance

factor of .37 of 1% in staff's computations. The reason for the difference in the variances being that Pendleton's billing analyses would have reflected more monthly billing adjustments.

The variance in either methodology would be minimal; therefore, the following calculations use the monthly billing analysis prepared by Pendleton County Gas Division:

<u>Month/Year</u>		<u>Sales/Mcf</u>
December	1982	19,823
January	1983	30,210
February	1983	26,040
March	1983	16,865
April	1983	13,487
May	1983	8,286
June	1983	<u>9,222</u>
TOTAL (Dec. 1982 thru June 1983)		123,933 Mcf


Kenneth D. Ramey
Rate Analyst, Chief