

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On May 9, 1986, the Commission issued its Order in this case directing B & H Gas Company ("B & H") to refund \$1,764 to its customers beginning with the July 1986 billing.

On September 30, 1986, the Commission received a letter from John M. Bradley, the new owner of B & H, in which he explained that the previous owners had not informed him when the refund was to begin and that he was not aware of the scheduled date of that refund until he received a letter from the Commission on August 25, 1986. In his letter, Mr. Bradley submitted a proposed refund plan.

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

(1) B & H's refund was ordered to begin in the month of July 1986. For the reasons outlined above, B & H proposes to begin the refund in November 1986. A deviation should be granted and refunding should begin on November 1, 1986, or as soon as practical thereafter.

(2) A refund factor of \$2.85 per customer has been proposed and should be used as a reduction in the purchased gas adjustment.

(3) The refund factor should remain in effect for 2 months or until such time as \$1,764 plus interest has been returned to B & H's customers.

(4) B & H should refund \$1,764 plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" 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:

(1) B & H shall be granted a deviation from the Order issued in this case on May 9, 1986, and shall be allowed to begin refunding on November 1, 1986, or as soon as practical thereafter.

(2) The refund factor of \$2.85 per customer shall remain in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the total amount of the refund obligation. The refund factor will terminate when the amount refunded equals the amount reported herein plus interest.

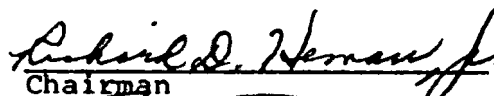
(3) Interest shall be calculated as directed herein.

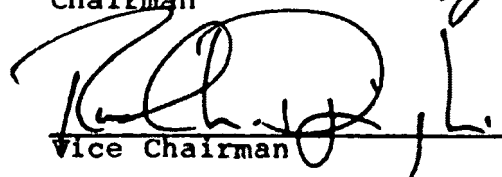
(4) Within 30 days from the date the refund factor is terminated B & H shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

(5) Within 30 days of the date of this Order B & H 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.

Done at Frankfort, Kentucky, this 6th day of October, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director