

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PUBLIC GAS COMPANY, INC.,)
OF GENERAL RATE ADJUSTMENT) CASE NO. 9565
EFFECTIVE MAY 12, 1986)

O R D E R

On April 21, 1986, Public Gas Company, Inc., ("Public") filed an application requesting approval of a rate increase. The Commission suspended Public's proposed rates for 5 months until October 8, 1986. The requested rates would increase the average monthly bill by \$15.52 or 21.4 percent.

On May 9, 1986, the Commission issued its Final Order in Public's latest Purchased Gas Adjustment, Case No. 8186-J. The Commission found that Public had collected excess revenues, and Public was ordered to determine the amount of overcollection and provide a refund plan. On June 17, 1986, Public responded that the overcollection totaled \$23,814.77 and that they had requested a meeting with the Commission to discuss a refund plan. That meeting was held on July 10, 1986, with representatives of Public and the Commission staff present.

On July 18, 1986, Public filed a motion for emergency rate relief and approval of a Commission-directed refund plan. In its motion, Public stated that its current refund would further impair its financial position without immediate rate relief. Public

proposes to make the refunds by means of monthly credits on customers' bills over a 12-month period, beginning on the month the emergency rates are granted. As supporting documentation, Public incorporated its application filed on April 21, 1986, and its response to the Commission's First Information Request dated June 3, 1986.

A review of the supporting documentation indicates that additional information would be needed in order to properly evaluate the emergency request. A monthly cash flow analysis for each month prior to the expected final Order in Case No. 9565 would be needed among other things. Public has already stated in its response to the Commission's First Information Request that monthly accounting information is not maintained.

A hearing on the emergency rate relief request would be needed. The timing of this hearing would cause a delay in the processing of Case No. 9565, because of the time needed to secure the additional information and process the request. A Final Order for Case No. 9565 could be anticipated by the time it would take to process the request for interim rates.

Due to the need for additional information, the timing of the motion, and the possibility of delay in the rate hearing, the motion should be denied. Also, since the refund plan was contingent upon the granting of emergency rate relief, that issue remains outstanding from Case No. 8186-J. It is the Commission's opinion that the refund plan will be incorporated into the final Order in Case No. 9565.

SUMMARY

The Commission, having considered the request for emergency rate relief and approval of the refund plan, and being advised, is of the opinion and finds that:

1. Public has not supplied adequate supporting evidence to warrant the granting of emergency rate relief.

2. Public's request would cause delays in the current rate case.

3. The outstanding issue of a refund plan has not been settled in this motion and will be incorporated in the Commission's final Order in Case No. 9565.

4. The request for emergency rate relief should be denied.

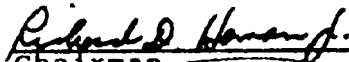
IT IS THEREFORE ORDERED that:

1. The motion by Public for emergency rate relief be and it hereby is denied.

2. The refund plan is not feasible as proposed and the issue will be incorporated in the Commission's final Order in Case No. 9565.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director