

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF MIKE LITTLE GAS)
COMPANY, INC. TO ADJUST VOLUME USED)
BY EACH CUSTOMER BY THE AVERAGE) CASE NO. 90-289
AMBIENT TEMPERATURE)

O R D E R

On September 11, 1990, Mike Little Gas Company, Inc. ("Mike Little") filed with the Commission a tariff that proposed adjusting the volume used by each customer prior to billing by the average ambient temperature for the billing period to more accurately reflect actual usage. Also, it increases the mileage charge to collect delinquent bills.

In response to information requests from the Commission, Mike Little has provided climatological data and other data which was used to calculate the gas temperature at customers' meters at different ambient conditions.

In its tariff, Mike Little proposes to consider gas temperature at customers' meters to be equal to the average ambient temperature and proposes to apply a multiplier of $520 + (460 + \text{average ambient temperature})$ to each customer's meter reading in its billing.

The Commission, having reviewed the evidence of record and being advised, finds that:

Mike Little should be denied a billing adjustment by assuming the gas temperature to be equal to ambient temperature because:

1. The records and the computations show that it is erroneous to consider ambient temperatures and gas temperatures at customers' meters to be identical at the same time.

2. Mike Little's proposal for a temperature multiplier of $520 + (460 + \text{average monthly ambient temperature})$ is not accurate and should not be used as a tool for temperature compensation in meter readings.

3. To calculate the gas temperature from ambient temperature, a monthly climatic and soil temperature should be provided; and even with this data, this process is not very accurate for the following reasons:

a. The data of the soil temperature at the exact depth of the pipelines is not available.

b. The factors affecting the gas temperatures at the customers' meters vary, and one formula cannot be generalized for all the deviations for all customers.

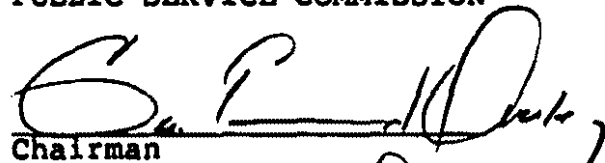
4. A more accurate method for temperature compensation is achieved by replacing the meters of Mike Little to temperature compensated meters as in the case of Elzie Neeley.


5. If Mike Little desires to compensate for temperature adjustment, Mike Little should replace the customers' meters with temperature compensated meters.

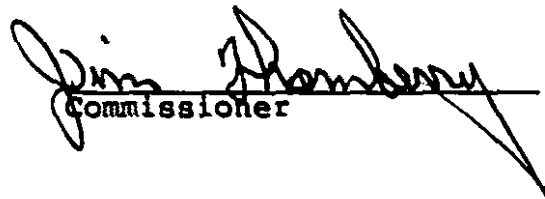
IT IS THEREFORE ORDERED that Mike Little be and it hereby is denied a billing adjustment by the average ambient temperature for the billing period.

Done at Frankfort, Kentucky, this 15th day of February, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director