

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CASE ENTERPRISES, INC. )	
FOR RATE ADJUSTMENT PURSUANT TO THE )	CASE NO.
ALTERNATIVE RATE FILING PROCEDURE FOR )	91-019
SMALL UTILITIES )	

O R D E R

On June 7, 1991, Case Enterprises, Inc. ("Case") filed its application for Commission approval of a proposed increase in its rates for gas service. Case's proposed rates for gas service would generate additional annual revenues of \$15,798, an increase of 29.4 percent.

In June 1991, Commission Staff conducted a field review of Case's test-period financial records. Based upon this review, Commission Staff issued its report on August 21, 1991 recommending an increase of \$13,592 in Case's annual operating revenues.

On August 9, 1991, Case requested the Commission allow a surcharge to be imposed to recover past due gas charges from Columbia Gas of Kentucky, Inc. ("Columbia Gas") and Equitable Resources ("Equitable") and to provide for the recovery of rate case expenses. On December 6, 1991, Commission Staff issued an amended Staff Report recommending an overall increase of \$15,816 in Case's annual operating revenues which included a 5-year amortization of the cost identified by Case as Rate Case Expenses. In addition, Commission Staff recommended Case be granted a

surcharge to recover the past due gas purchases totalling \$10,133 outstanding to Columbia Gas. No provision could be made with regard to any amounts that may be outstanding to Equitable as Staff could not determine the exact amount outstanding.

By letter dated December 6, 1991, the Commission advised Case that comments on the Staff Report or requests for a public hearing must be submitted no later than December 23, 1991 or this case would stand submitted to the Commission for decision. Case responded by letter dated December 9, 1991 that it would accept Staff's recommended adjustments and waive a formal hearing.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. The Staff Report recommends an increase in revenues of \$15,816, an increase of 29.4 percent over normalized test-year operating revenues. The Staff Report also recommends a 5-year surcharge which would produce additional annual revenues of \$2,027 to pay its arrearage to Columbia Gas. The recommendations and findings contained in the Staff Report as amended are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The surcharge should continue for no longer than 60 months from the date of this Order. Case shall comply with the reporting, accounting, and documentation requirements as ordered herein.

3. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for

Case and will produce gross annual revenues of approximately \$69,599 for gas service based on adjusted test-year sales. These rates will allow Case sufficient revenues to meet its operating expenses and provide for future equity growth. The monthly surcharge in Appendix A will produce approximately \$2,027 annually to specifically pay gas arrearages to Columbia Gas over 5 years or upon sufficient collection of the surcharge to extinguish the debt, whichever occurs first.

IT IS THEREFORE ORDERED that:

1. The rates proposed in the Staff Report as amended and contained in Appendix A are approved for service rendered by Case on and after the date of this Order.

2. The rates proposed by Case, as amended August 9, 1991, are denied.

3. The surcharge shall be in affect for no longer than 60 months from the date of this Order or until the past due account has been extinguished, whichever comes first.

4. The surcharge shall be a fixed monthly charge, separately identified on each customer's billing. The first money collected from each billing shall be considered surcharge revenue. The surcharge revenue shall be separately identified on all statements of operations submitted to this Commission.

5. The money collected from the surcharge shall be deposited in an escrow account dedicated solely to the monthly payment of the arrearage of gas purchases owed Columbia Gas.

6. Case shall file monthly reports to the Commission containing the following information:

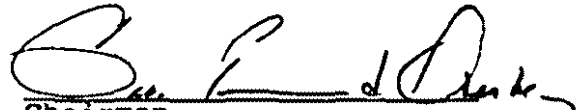
- (1) The number of customers billed the surcharge.
- (2) The total amount of the surcharge billed.
- (3) The amount deposited in escrow.
- (4) The amount paid on the arrearage broken down as to interest and principle.
- (5) A photocopy of the bank statement.
- (6) A photocopy of all checks disbursed from the escrow account.
- (7) A photocopy of all deposit receipts for the escrow account.
- (8) A photocopy of Columbia Gas's billing showing payment and current balance.

7. If Case fails to comply with the requirements in the above ordering paragraphs or does not stay current on its monthly gas bill to Columbia Gas, the surcharge shall immediately cease and it shall refund all monies collected as a result of the surcharge.

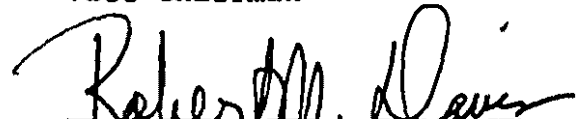
8. Within 30 days of the date of this Order, Case shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 12th day of December, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-019 DATED 12/12/91

The following rates and charges are prescribed for the customers in the area served by Case Enterprises, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

0 - 1 Mcf	\$ 8.50
All over 1 Mcf	8.50/Mcf

Surcharge to be applied only to the Justiceville customers:

0 - 1 Mcf	\$ 0.42
All over 1 Mcf	0.42/Mcf