

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

A PURCHASED GAS ADJUSTMENT)
FILING OF WESTERN KENTUCKY) CASE NO. 7157-S
GAS COMPANY)

O R D E R

On December 6, 1978, the Commission entered its Final Order in Case No. 7157, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased, decreased or refunds are received.

On June 3, 1980, the Applicant, the Western Kentucky Gas Company filed its Notice and Application with the Commission stating that it had received a refund from one of its suppliers, Tennessee Gas Pipeline Company (Tennessee Gas).

On May 15, 1980, the Applicant was notified by Tennessee Gas that a refund in the form of a credit was reflected on the April, 1980 invoice. A credit of \$492,544.45 constituting Applicant's share of a total refund from Tennessee Gas pursuant to the Stipulation and Agreement (February 23, 1979) and the Second Stipulation and Agreement (August 13, 1979) in Docket No. RP77-62. Also, included in this filing is a refund from Tennessee Gas in the amount of \$6,640.54. The Applicant requested permission by letter dated May 15, 1980, to the Commission to retain this small refund in its refund account until such time as additional refunds were received. This refund is the result of refunds received by Tennessee Gas from various producers during the period January 4, 1980 through March, 17, 1980.

The total refundable amount in the filing is \$499,184.99. The Company proposes to refund this amount to its customers over a period of four months in accordance with the refund provisions of the Company's Purchased Gas Adjustment Clause beginning on July 1, 1980, said adjustment being designed to pass on to its

customers a reduction in the amount of \$.0615 per thousand cubic feet of gas and that said adjustment be eliminated when the full amount to be refunded has been returned to the Company's customers.

After reviewing this evidence of record and being fully advised, the Commission is of the opinion and finds:

1. That the Applicant has received a refund in the amount of \$499,184.99 from their supplier, Tennessee Gas.
2. That a Refund Factor in the amount of \$.0615 per thousand cubic feet of gas be used as a reduction in the Purchased Gas Adjustment.
3. That said refund remain in effect until such time as the full amount has been returned to their customers.

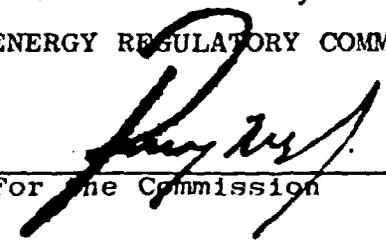
IT IS THEREFORE ORDERED that Western Kentucky Gas Company, apply a Refund Factor in the amount of \$.0615 per thousand cubic feet of gas as a reduction in the approved Purchased Gas Adjustment beginning July 1, 1980, and remain in effect until such time as necessary so that the refund will, nearly as possible, reflect the exact amount.

This Refund Factor will terminate at such period of time that the refundable amount equals the refund herein reported.

IT IS FURTHER ORDERED that the information furnished the Commission by Applicant in this case constitutes full compliance with the Commission's Order in Case No. 7157, and any other information ordinarily required to be filed under the Commission's Rules is hereby waived.

Done at Frankfort, Kentucky, this 7th day of July, 1980.

ENERGY REGULATORY COMMISSION



For the Commission

ATTEST:

Secretary