

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED GAS ADJUSTMENT FILING)
OF WESTERN KENTUCKY GAS COMPANY) CASE NO. 8227-H

O R D E R

On October 9, 1981, the Commission issued its Order in Case No. 8227, 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 or decreased.

On August 19, 1982, Western Kentucky Gas Company ("Western") filed with the Commission its notice of a decrease from one of its suppliers, Texas Gas Transmission Corporation ("Texas Gas") effective September 1, 1982.

On June 30, 1982, Texas Gas filed revised tariff sheets proposing a change in its semi-annual purchased gas adjustment, to be effective August 1, 1982. Western filed for and received permission to track this increase in Case No. 8227-G, effective August 1, 1982.

On July 30, 1982, the Federal Energy Regulatory Commission ("FERC") issued an Order accepting the Texas Gas filing and suspended it subject to refund and certain conditions. As a result of this Order, Texas Gas, on August 16, 1982, filed Third

Substitute Thirty-Six Revised Sheet No. 7 to its FPC Gas Tariff, Third Revised Volume No. 1, reflecting a decrease in the previously requested tariff. A copy of the revised tariff sheet is filed in Western's notice as Exhibit A.

As a result of the changes effective as aforesaid the cost of gas to Western for the 12 months ended May 31, 1982, would have decreased \$146,836.

Due to the retroactive nature of Texas Gas' decrease, Western requests that the new rate be made effective on and after September 1, 1982. Western should report to this Commission any excess revenues collected during August 1982, along with a plan to refund any excess collections.

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

1. Western's supplier, Texas Gas, has filed revised tariff sheets reflecting a decrease in rates with FERC to become effective September 1, 1982.

2. The application filed August 19, 1982, reflected Texas Gas' rates as filed with FERC on August 16, 1982, to be effective September 1, 1982.

3. Western shall report to the Commission any excess revenues collected during August 1982, along with a plan to refund any excess collections to its customers.

4. Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8227, dated October 9, 1981, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after the date the decreased cost of wholesale gas becomes effective.

5. Western's base supplier rate for purchased gas will be as follows:

	<u>Demand/Mcf</u>	<u>Commodity/McF</u>
Texas Gas Transmission Corporation		
G-2	\$2.38	\$3.4935
G-3	2.78	3.5405
G-4	3.16	3.5770
	<u>Commodity Rate</u>	<u>Gas Rate/Dth</u>
Tennessee Gas Pipeline Company		
G-2	\$.3476	\$3.0952
GS-2	.7332	3.0952
Local Producers	-	\$3.6319

6. Western's adjustment in rates under the purchased gas adjustment clause, as set out in Exhibit D, page 1 of its notice herein, in the amount of \$0.8947 per Mcf, is fair, just and reasonable in the public interest and should be allowed to become effective for service rendered on and after September 1, 1982.

IT IS THEREFORE ORDERED that said purchased gas adjustment sought by Western, as set forth in Exhibit D page 1 of its notice, be and the same is hereby approved to be effective for service

rendered on and after September 1, 1982, for all customers as in Appendix A attached hereto and made a part hereof.

IT IS FURTHER ORDERED that Western shall report to this Commission any excess revenues collected during August 1982, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that for the purpose of the future application of the purchased gas adjustment clause of Western the base rate for purchased gas shall be:

	<u>Demand/Mcf</u>	<u>Commodity/Mcf</u>
Texas Gas Transmission Corporation		
G-2	\$2.38	\$3.4935
G-3	2.78	3.5405
G-4	3.16	3.5770
	<u>Commodity/Mcf</u>	<u>Gas Rate/Dth</u>
Tennessee Gas Pipeline Company		
G-2	\$.3476	\$3.0952
GS-2	.7332	3.0952
Local Producers	-	\$3.6319

IT IS FURTHER ORDERED that the information furnished this Commission by Western on August 19, 1982, constitutes full compliance with this Commission's Order in Case No. 8227.

IT IS FURTHER ORDERED that within 30 days from the date of this Order, Western shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 1st day of September, 1982.

ATTEST:

PUBLIC SERVICE COMMISSION

Secretary


By the Commission

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8227-H DATED
SEPTEMBER 1, 1982

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

RATES:

Applicable to All Rate Schedules

Purchased Gas Adjustment

To each bill rendered under all rate schedules there shall be added an amount equal to: \$0.8947 per Mcf of gas used during the billing period.