

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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

AMENDED ORDER

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 October 4, 1982, Western Kentucky Gas Company ("Western") filed Case No. 8227-I to reflect a general increase in the cost of gas from its major supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective November 1, 1982. This Commission approved the purchased gas adjustment, subject to refund, by Order issued November 8, 1982.

On November 23, 1982, Western filed an amendment to Case No. 8227-I wherein it notified the Commission that on November 18, 1982, Texas Gas filed revised tariff sheets with the Federal Energy Regulatory Commission ("FERC") reflecting a decrease in its rates. The original tariff sheets had included costs to be incurred by Texas Gas for the transportation of Canadian gas by other pipelines.

At the time of Texas Gas' original filing it was anticipated that such costs would be incurred on or before November 1, 1982. However, Texas Gas has not yet received the authorization needed for the importation of Canadian gas. Texas Gas has therefore eliminated these costs from the level of rates to be collected on and after November 1, 1982.

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

1. As a result of the changes effective as aforesaid the cost of gas to Western for the 12 months ended August 31, 1982, would have been \$9,037,557, rather than the \$10,982,108, originally filed.

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

3. Western should report to the Commission any excess revenues collected from November 1, 1982, to the date the proposed rates are implemented along with a plan to refund any overcollections 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 November 1, 1982.

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	\$ 5.35	\$ 3.5771
G-3	6.18	3.6287
G-4	6.72	3.6720

	<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	-	\$ 3.8319

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 \$1.1292 per Mcf, is fair, just and reasonable, in the public interest and should be allowed to become effective for service rendered on and after November 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 November 1, 1982, for all customers as in Appendix A.

IT IS FURTHER ORDERED that Western shall report to this Commission any excess revenues collected from November 1, 1982, to the date the proposed rates are implemented 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	\$ 5.35	\$ 3.5771
G-3	6.18	3.6287
G-4	6.72	3.6720

	<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	-	\$ 3.8319

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 10th day of December, 1982.

PUBLIC SERVICE COMMISSION

Sam Shull
Chairman

Katherine Randall
Vice Chairman

Gene Carrejan
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8227-I AMENDED
DATED DECEMBER 10, 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 \$1.1292 per Mcf of gas used during the billing period,