

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

| | | |
|--------------------------|---|-----------------|
| THE NOTICE OF |) | |
| PURCHASED GAS ADJUSTMENT |) | |
| FILING OF WESTERN |) | CASE NO. 8227-Q |
| KENTUCKY GAS COMPANY |) | |

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 or a refund is received.

On July 11, 1983, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective August 1, 1983, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) Western's notice of July 11, 1983, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the

wholesale decrease in price from its suppliers in the combined amount of \$7,025,155 or 20.37 cents per Mcf.

(2) Texas Gas has filed an application for decreased rates to become effective August 1, 1983, with the Federal Energy Regulatory Commission.

(3) In accordance with its purchased gas adjustment clause, Western's notice of July 11, 1983, includes its semi-annual production gas adjustment applicable to local production contracts. This adjustment is a decrease in the wholesale cost of gas purchased from local producers.

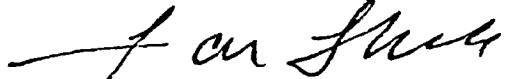
(4) Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8227 dated October 9, 1981, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after August 1, 1983.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after August 1, 1983.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of July, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
 COMMISSION IN CASE NO. 8227-Q DATED JULY 27, 1983

The following rates and charges are prescribed for the customers 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 this Commission prior to the date of this Order.

RATES:

Applicable to : All Gas Rate Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: \$0.8309 per Mcf of gas used during the billing period.

The base rates for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

| | <u>Demand</u> | <u>Commodity</u> | <u>Gas Rate</u> |
|------------------------------|---------------|------------------|-----------------|
| Texas Gas Transmission Corp. | | | |
| G-2 | \$5.29/Mcf | \$3.2689/Mcf | -0- |
| G-3 | 6.11/Mcf | 3.3148/Mcf | -0- |
| G-4 | 6.65/Mcf | 3.3507/Mcf | -0- |
| Tennessee Gas Pipeline Comp. | | | |
| G-2 | 8.28/Mcf | .3606/Mcf | \$2.9204/Mcf |
| GS-2 | -0- | .8365/Mcf | 2.9204/Mcf |
| Local Producers | -0- | -0- | 3.5157/Mcf |