

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF WESTERN        ) CASE NO. 8839-A  
KENTUCKY GAS COMPANY                    )

O R D E R

On December 1, 1983, the Commission issued its Order in Case No. 8839 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 December 8, 1983, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas would be increased by two of its suppliers and decreased by one of its suppliers 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) On November 28, 1983, Texas Gas Transmission Corporation ("Texas Gas") filed increased rates to be effective January 1, 1984, with the Federal Energy Regulatory Commission ("FERC").

(2) Western's wholesale cost of gas from local producers which tracks Texas Gas' rate will be increased effective January 1, 1984.

(3) Tennessee Gas Pipeline Company ("Tennessee") has filed an application with the FERC for decreased rates to be effective January 1, 1984.

(4) Western has successfully negotiated a change in its purchases from Tennessee whereby it will be billed for all purchases under Tennessee's GS-2 rate rather than the G-2 rate. Western anticipates this will result in a savings to its customers in excess of \$1,000,000 per year.

(5) Western's notice of December 8, 1983, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in price from its suppliers in the amount of \$2,785,835 or 7.86 cents per Mcf.


(6) Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839 dated December 1, 1983, is fair, just and reasonable and in the public interest and should be effective with bills rendered on and after January 1, 1984.

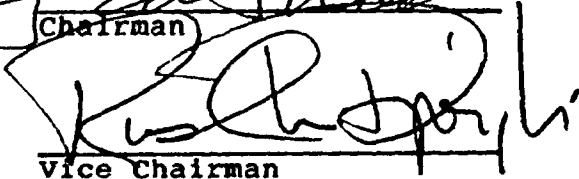
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with bills rendered on and after January 1, 1984.


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 20th day of December, 1983.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 8839-A DATED December 20, 1983.

The following rates and charges 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 this Commission prior to the date of this Order.

RATES:

Applicable to : All Gas Rates Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$0.0786) 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:

Texas Gas Transmission Corp.	<u>Demand</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$5.28/Mcf	\$3.2340/Mcf	-0-
G-3	6.10/Mcf	3.2799/Mcf	-0-
G-4	6.64/Mcf	3.3158/Mcf	-0-
<b>Tennessee Gas Pipeline Comp.</b>			
GS-2	-0-	.6656/Mcf	2.6221/Mcf
<b>Local Producers</b>	-0-	-0-	3.4804/Mcf