

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-T
KENTUCKY GAS COMPANY)

ORDER

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 November 22, 1985, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas had been decreased by its suppliers, Tennessee Gas Pipeline Company ("Tennessee Gas") effective November 1, 1985, Texas Gas Transmission Corporation ("Texas Gas") effective December 1, 1985, and local producers 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 November 22, 1985, 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. The amount of decrease from Tennessee Gas effective November 1, 1985, is \$64,783 or .17 cents per Mcf. The decrease from Texas Gas and local producers effective December 1, 1985, is in the amount of \$9,866,561 or 26.6 cents per Mcf.

(2) Tennessee Gas filed revised rates with the Federal Energy Regulatory Commission ("FERC") to be effective November 1, 1985.

(3) Texas Gas filed revised rates with the FERC to be effective December 1, 1985.

(4) Western proposed an effective date of December 1, 1985, for passing on the decrease from Tennessee Gas, with the understanding that it would refund the amount of the decrease due to its customers for the month of November. Because the effective date from FERC is November 1, 1985, however, the effective date for passing on the decrease should also be November 1, 1985.

(5) Western should report to this Commission any excess revenues collected from November 1, 1985, to the date the proposed rates are implemented, along with a plan to refund excess revenues to its customers.

(6) Western's adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839, dated December 1, 1983, are fair, just and reasonable and in the public interest. The passing through of decreased rates from Tennessee Gas should be effective with gas supplied on and after November 1, 1985, and decreased rates from Texas Gas and local producers should be passed through effective December 1, 1985.

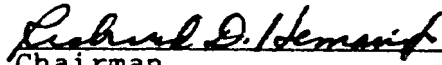
IT IS THEREFORE ORDERED that the rates in Appendix A to this Order be and they hereby are authorized effective with gas supplied on and after November 1, 1985, and that the rates in Appendix B be and they hereby are authorized effective with gas supplied on and after December 1, 1985.

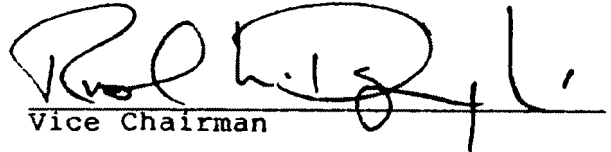
IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall report to this Commission any excess revenues collected between November 1, 1985, and the date the rates proposed in Appendix A are implemented, along with a plan to refund excess collections.

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 4th day of December, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8839-T DATED 12/4/85

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: (\$.1630) 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	\$5.70	\$3.0773	-0-
G-3	6.16	3.1229	-0-
G-4	6.50	3.1530	-0-
Tennessee Gas Pipeline Co.			
GS-2	-0-	.6320/Mcf	2.4933/Mcf
Local Producers	-0-	-0-	3.2010/Mcf

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8839-T DATED 12/4/85

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: (\$.4290) 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	\$6.38	\$2.7536	-0-
G-3	6.84	2.7992	-0-
G-4	7.18	2.8293	-0-
Tennessee Gas Pipeline Co.			
GS-2	-0-	.6320/Mcf	2.4933/Mcf
Local Producers	-0-	-0-	2.7992/Mcf