

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 9556-O
KENTUCKY GAS COMPANY)

O R D E R

On October 31, 1986, the Commission issued its Order in Case No. 9556 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On July 6, 1990, Western Kentucky Gas Company ("Western") filed its quarterly GCA which is to become effective August 1, 1990 and is to remain in effect until October 31, 1990.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western's notice of July 6, 1990 set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers in the amount of 16.89 cents per Mcf, including take-or-pay billings. Western's expected gas cost for the quarter beginning August 1, 1990 is \$2.8948 per Mcf which is a 13.07 cent per Mcf decrease from Western's base cost of gas.

2. Western's notice set out no refund adjustment, due to the lack of current quarter refunds and the completion of refunds from previous quarters. There is no change from last quarter's total refund adjustment.

3. Western's notice set out a current quarter actual adjustment in the amount of (9.91) cents per Mcf to compensate for over-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of February, March, and April 1990. The total actual adjustment of (4.43) cents per Mcf, which is designed to correct the current over-recovery as well as under- and over-collections from three previous quarters, results in a .02 cent per Mcf decrease in Western's retail rates.

4. Western's notice set out a balance adjustment in the amount of (8.95) cents per Mcf, which replaces the previous adjustment of .58 cents per Mcf. This balance adjustment compensates for over-collections which occurred as a result of previous actual and balance adjustments. The effect on retail rates is a 9.53 cent per Mcf decrease.

5. Western proposed a GCA of (26.45) cents per Mcf, which represents the combined effect of the supplier decrease, and the refund, actual, and balancing adjustments. The effect on retail rates is a 26.44 cent per Mcf decrease.

6. Western requested a waiver of its 30-day filing requirement. Pursuant to KRS 278.180, upon Western's showing of good cause, the request should be granted. The effective date of the decrease should be on and after the date of this Order.

7. Western's adjustment in rates under the provisions approved by the Commission in its Order in Case No. 9556 dated October 31, 1986, is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after the date of this Order.

8. Western's filing of July 6, 1990 included supplementary information concerning its actual adjustment for which it requested confidentiality. Confidentiality should be granted pending Commission review of all other gas supply confidentiality requests.

9. In its filing of July 6, 1990, Western submitted signed tariff sheets effective September 15, 1990, along with methodology used in applying the proposed purchased gas adjustment to Western's proposed increase in rates in Case No. 90-013.¹ The filing of such signed tariff sheets is premature. On September 15, 1990, absent an Order from the Commission in Case No. 90-013, Western may, upon notice to the Commission as allowed by law, place their proposed rates into effect.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after the date of this Order.

¹ Case No. 90-013, Rate Adjustments of Western Kentucky Gas Company.

2. The GCA shall be (26.45) cents per Mcf effective with final meter readings on and after the date of this Order.

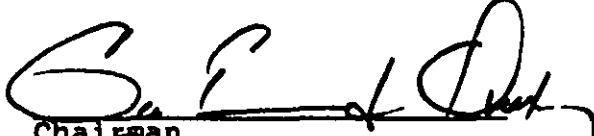
3. Within 30 days of the date of this Order, Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

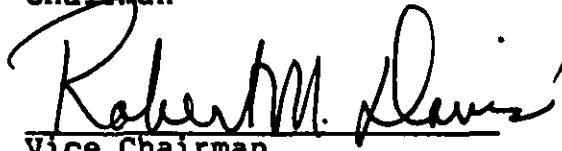
4. Western's supplemental information shall be accorded confidential treatment pending Commission review of all gas supply confidentiality requests.

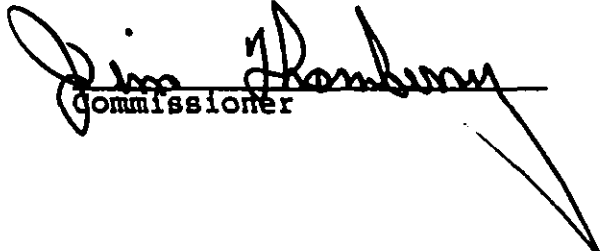
5. Western's tariff sheets effective September 15, 1990 are hereby denied.

Done at Frankfort, Kentucky, this 2nd day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9556-O DATED 8/02/90

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 effective date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.2645) per Mcf of gas used during the billing period.

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

Texas Gas Transmission Corp.

	<u>Demand-1</u>	<u>Demand-2</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$4.01	\$.1247	\$2.3928	-0-
G-3	4.06	.1395	2.4288	-0-
G-4	4.29	.1479	2.4320	-0-
		<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
Other Purchases		1.8879	1.9057	1.9068

Tennessee Gas Pipeline Co.

			<u>Commodity</u>	<u>Gas Rate</u>
GS-2	-0-	-0-	.5486/Dth	2.9998
Other Purchases			1.85	
Local Producers		-0-	-0-	2.2408/Dth