

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	CASE NOS. 90-002-D
ADJUSTMENT FILING OF EAST)	and 90-002-E
KENTUCKY UTILITIES, INC.)	

O R D E R

On October 10, 1990, the Commission issued its Order in Case No. 90-002 approving certain adjustments 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 March 21, 1991, East Kentucky Utilities, Inc. ("East Kentucky") notified the Commission in Case No. 90-002-D that its wholesale cost of gas was decreased by its supplier, Kentucky-West Virginia Gas Company ("Kentucky West"), effective March 1, 1991. On March 21, 1991, East Kentucky notified the Commission in Case No. 90-002-E that its wholesale cost of gas was further decreased by Kentucky West effective March 6, 1991. East Kentucky submitted with its notices certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. East Kentucky's notices of March 21, 1991 set out certain revisions in rates which East Kentucky proposed to place

into effect, said rates being designed to pass on the wholesale decreases in price from its supplier in the amount of \$117,402 or \$1.0848 per Mcf in Case No. 90-002-D, and an additional decrease of \$27,106 or 25.05 cents per Mcf in Case No. 90-002-E.

2. The Commission takes administrative notice of a subsequent tariff filing by Kentucky West with the Federal Energy Regulatory Commission on March 13, 1991 to be effective March 1, 1991, which supersedes and replaces all other Kentucky West filings. Kentucky West's revised filing is a decrease in price which supersedes and replaces the wholesale price changes for which East Kentucky has applied in the instant case. The revised filing is a decrease from the currently effective wholesale price to East Kentucky in the amount of \$119,842 or \$1.107 per Mcf.

3. Kentucky West applied with the Federal Energy Regulatory Commission for decreased rates to become effective March 1, 1991. The effective date for East Kentucky's decrease should be on and after March 1, 1991. Kentucky West's rates are subject to refund; hence, East Kentucky's rates should be subject to refund.

4. East Kentucky should file with this Commission the amount of any overcollections received from March 1, 1991 to the date the approved rates are implemented, along with a refund plan.

5. East Kentucky's revised adjustment in rates under the PGA provisions approved by the Commission in its Order in Case No. 90-002 dated October 10, 1990 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after March 1, 1991, subject to refund.

IT IS THEREFORE ORDERED that:

1. The rates proposed by East Kentucky in Case No. 90-002-D and Case No. 90-002-E are hereby denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after March 1, 1991, subject to refund.


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

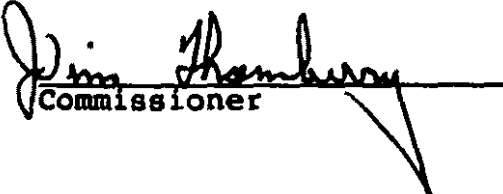
4. Within 30 days of the date of this Order, East Kentucky shall file the amount of excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 26th day of April, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NOS. 90-002-D and 90-002-E DATED 4/26/91

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, Inc. 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: Monthly

First 1 Mcf	\$8.7018 Per Mcf
Over 1 Mcf	5.7469 Per Mcf

Minimum Bill: \$8.70 for less than 1 Mcf

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc. shall be:

	<u>Commodity</u>
Kentucky-West Virginia Gas Company	\$2.2753/Dth*
Southeastern Gas Company	\$3.50/Mcf

*Includes 0.0146 per Dth - Gas Research Institute Funding Charge and \$.0022 Annual Charge Adjustment.