

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RATE ADJUSTMENT OF WESTERN)
KENTUCKY GAS COMPANY) CASE NO. 90-013

O R D E R

On December 10, 1990, Western Kentucky Gas Company ("Western") filed a request for clarification of a portion of the rate Order issued in this case on September 13, 1990. Western specifically seeks clarification on the section of the Order addressing its proposal to include a standard service agreement as part of its filed tariffs. Therein, the Commission found that the general terms and conditions of the standard agreement appeared to be reasonable but questioned whether a standard agreement might, in some circumstances, restrict the flexibility of Western and/or its customers. The Commission indicated that rather than approve the standard agreement as part of Western's tariffs, we would prefer to review the merits of the individual contracts.

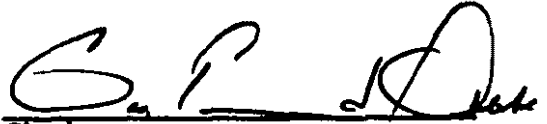
Western questions whether we intended that it file, for Commission review, all the contracts it will enter into using the standard agreement. Western explains that these contracts will not contain rates or charges that differ from those included in its tariffs and, therefore, are not the type of special contracts required to be filed under 807 KAR 5:011, Section 13.

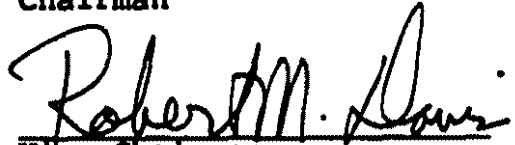
The Commission did not intend that Western file all the contracts entered into using the standard agreement. It was intended, as stated in our Order, that a standard agreement not be established as part of Western's tariffs in order to allow for circumstances when greater flexibility may be needed in establishing contract terms. The intent of the Order was that the Commission would review the merits of individual contracts if and when such agreements contain rates, charges, or conditions of service different than those contained in Western's tariffs.

IT IS THEREFORE ORDERED that Western is required to file, for Commission approval, service agreements entered into with industrial customers only when such agreements contain rates, charges, or conditions of service different than those contained in Western's tariffs.

Done at Frankfort, Kentucky, this 10th day of January, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director