

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 92-558-I
KENTUCKY GAS COMPANY)

O R D E R

On December 22, 1993, in Case No. 92-558, the Commission approved, on an experimental basis, a mechanism for the monthly adjustment of rates for Western Kentucky Gas Company ("Western") in accordance with the gas cost adjustment ("GCA") clause set forth in the Order.

On September 1, 1994, Western filed its monthly GCA to be effective from October 1, 1994 to November 1, 1994.

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

1. Western's notice proposed revised rates designed to pass on to its firm sales customers an expected wholesale decrease in gas costs in the amount of 8.28 cents per Mcf. Western's proposed expected gas cost ("EGC") for firm sales customers is \$2.8316 per Mcf.

Western also proposed to pass on to its interruptible customers a wholesale decrease in gas costs. Western's proposed EGC for interruptible sales customers is \$2.2759 per Mcf.

2. Western had received no refunds since its last filing. Total refund factors of 3.29 cents per Mcf for firm sales customers and 2.69 cents per Mcf for interruptible customers reflect adjustments from previous months.

Western's notice likewise set out no current refund adjustments for firm or interruptible transportation customers. Total refund adjustments of .92 cent and .32 cent per Mcf, respectively, are from a previous month.

3. Western's notice set out a 6-month correction factor ("CF") of 1.15 cents per Mcf which will remain in effect until April 1, 1995. The CF is designed to recoup net under-collections of gas cost from the 6-month period ending June 30, 1994.

4. These adjustments produce gas cost adjustments of (\$.6242) per Mcf for firm sales customers and (\$.9166) per Mcf for interruptible sales customers.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for final meter readings on and after October 1, 1994.

6. Western's filing of September 1, 1994 included supplementary information concerning its CF for which it requested confidentiality. This information discloses the actual price being paid by Western to individual marketing companies and other suppliers of gas. Publication of this information is likely to cause competitive injury to Western and should be protected.

IT IS THEREFORE ORDERED that:

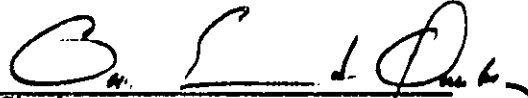
1. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for final meter readings on and after October 1, 1994.

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

3. Pages 4 and 5 of Exhibit D, which Western has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 28th day of September, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-558-I DATED September 28, 1994.

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: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.6242) per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.9166) per Mcf of gas used during the billing period.