

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LIMITED RATE CHANGE OF)
WESTERN KENTUCKY GAS) CASE NO. 92-558
COMPANY)

O R D E R

On December 22, 1993, the Commission approved on an experimental basis a mechanism for the monthly adjustment of rates of Western Kentucky Gas Company ("Western") in accordance with the gas cost adjustment ("GCA") clause set forth in the Order. On January 13, 1995, Western filed a motion requesting permanent approval of the monthly GCA mechanism.

Western cited more market-responsive sales prices, a relatively small correction factor, and more timely refunds as support for permanent approval of the monthly mechanism. It did not, however, directly address the issue of transportation customers switching to and from sales service and whether the attendant gas cost recovery problems have been alleviated. Accordingly, the Commission finds that Western should continue the use of its monthly mechanism while it prepares an analysis of the impact of monthly gas pricing on "swing" volumes. This will also give Western and the Commission the opportunity to assess the filing of the next correction factor and draw conclusions based on greater experience.


IT IS THEREFORE ORDERED that:


1. Within 30 days of the date of this Order, Western shall file its analysis of "swing" transportation volumes as directed herein. The analysis shall include, but not be limited to, a comparison of swing volumes from February 1, 1994 to the present with Western's historical experience of service switching.

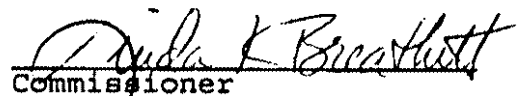
2. Western shall continue the use of its monthly GCA mechanism pending the Commission's decision regarding final approval.

Done at Frankfort, Kentucky, this 15th day of February, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director