

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 95-010-Y
KENTUCKY GAS COMPANY)

O R D E R

On September 29, 1995, in Case No. 95-010, the Commission approved adjusted rates for Western Kentucky Gas Company ("Western"), with their further adjustment to be made in accordance with the monthly gas cost adjustment ("GCA") approved in the final Order in Case No. 92-558.¹

On August 29, 1997, Western filed its monthly GCA to be effective from October 1, 1997 to November 1, 1997.

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 to its firm sales customers an expected wholesale increase in gas costs. Western's expected gas cost ("EGC") for firm sales customers is \$3.7137 per Mcf and \$3.0947 for high load factor ("HLF") firm customers.

¹ Case No. 92-558, In the Matter of Limited Rate Change of Western Kentucky Gas Company, Order dated November 20, 1995.

Western also proposed to pass to its interruptible customers a wholesale increase in gas costs. Western's proposed EGC for interruptible sales customers is \$3.0947 per Mcf.

2. Western has no current supplier refunds to return to its customers. Total refund factors of 4.53 cents per Mcf for firm sales customers and 1 cent per Mcf for interruptible customers reflect adjustments from previous months.

Total refund adjustments for T-2 firm and T-2 interruptible transportation customers are 4.88 cents per Mcf and 1.35 cents per Mcf, respectively.

3. Western's notice set out a 6-month correction factor ("CF") of 12.11 cents per Mcf which will remain in effect until April 1, 1998. The CF is designed to collect net under-collections of gas cost from the 6-month period ending June 30, 1997.

4. These adjustments produce gas cost adjustments of \$.3564 per Mcf for firm sales customers, (\$.2626) per Mcf for HLF customers, and \$.5545 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, 1997.

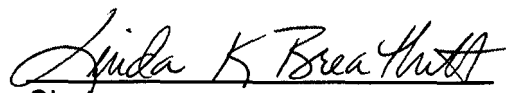
6. Western included with its notice a petition for confidential protection of pages four and five of Exhibit D to its filing. The information on these pages discloses the actual price being paid by Western to individual marketing companies and other suppliers of gas. The disclosure of this information is likely to cause harm to Western's competitive position. The information should, therefore, be held by this Commission and treated as confidential.

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, 1997.
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. The information for which Western requested confidential protection shall be treated as confidential.

Done at Frankfort, Kentucky, this 1st day of October, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-010-Y DATED OCTOBER 1, 1997

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: \$.3564 per Mcf of gas used during the billing period.

Applicable to: HLF General Sales Service

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.2626) 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: \$.5545 per Mcf of gas used during the billing period.