

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN)
KENTUCKY GAS COMPANY)

CASE NO. 95-010-HH

O R D E R

On June 25, 1998, the Commission issued its Order in this case prescribing rates for Western Kentucky Gas Company ("Western") effective July 1, 1998. The rates approved in the Order as requested by Western were not correctly reflected in the Appendix to that Order.

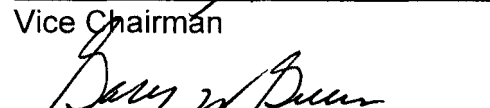
IT IS THEREFORE ORDERED, to be entered nunc pro tunc, that the rates set out in the Appendix of the Order of June 25, 1998 shall be amended to reflect the rates in finding number four on page two of that Order. The gas cost adjustment rates are (\$.0813) per Mcf for firm sales customers, (\$.6848) per Mcf for HLF customers, and \$.0992 per Mcf for interruptible sales customers.

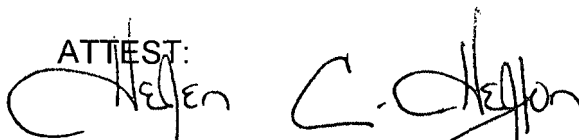
Done at Frankfort, Kentucky, this 1st day of July, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

COMMONWEALTH OF KENTUCKY
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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 June 1, 1998, Western filed its monthly GCA to be effective from July 1, 1998 to August 1, 1998.

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 decrease in gas costs. Western's expected gas cost ("EGC") for firm sales customers is \$3.4776 per Mcf and \$2.8741 for high load factor ("HLF") firm customers.

Western also proposed to pass to its interruptible customers a wholesale decrease in gas costs. Western's proposed EGC for interruptible sales customers is \$2.8741 per Mcf.

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

2. Western has current supplier refunds and carry-overs from previous refund factors to return to its customers in the amount of \$255,424, including interest. Current refund factors for sales customers are .95 cent per Mcf for firm customers and .73 cent per Mcf for interruptible customers. Total refund factors of 1.11 cents per Mcf for firm sales customers and .89 cent per Mcf for interruptible customers reflect the current adjustments as well as adjustments from previous months.

Total refund adjustments for T-2 firm and T-2 interruptible transportation customers are .30 cent per Mcf and .08 cent per Mcf, respectively.

3. Western's notice set out the 6-month correction factor ("CF") of (11.47) cents per Mcf which will remain in effect until October 1, 1998. The CF is designed to return net over-collections of gas cost from the 6-month period ending December 31, 1997.

4. These adjustments produce gas cost adjustments of (\$.0813) per Mcf for firm sales customers, (\$.6848) per Mcf for HLF customers, and \$.0992 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 July 1, 1998.

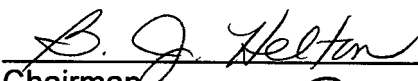
IT IS THEREFORE ORDERED that:

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 July 1, 1998.

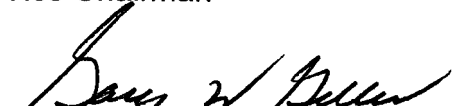
2. Within 30 days of the date of this Order, Western shall file with the Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 25th day of June, 1998.

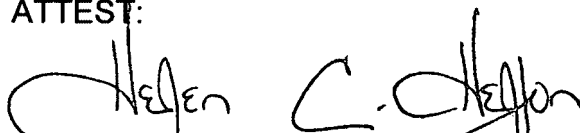
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-010-HH DATED JUNE 25, 1998

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: \$.1324 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: (\$.4711) 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: \$.3460 per Mcf of gas used during the billing period.