

CASE

NUMBER:

99-070

Western Kentucky Gas Company

General Rates

Regular

FULLY-FORECASTED TEST PERIOD

IN THE MATTER OF RATE APPLICATION OF WESTERN KENTUCKY GAS COMPANY

SEQ NBR	Date	Remarks
1	03/01/99	Notice of Intent.
2	(M) 04/14/99	COPY OF DRAFT NOTICE (JACK HUGHES WESTERN KY GAS)
3	(M) 04/28/99	SUPPLMENTAL NOTICE OF INTENT TO FILE RATE APPLICATION (MARK HUTCHINSON WESTERN KY GAS CO.)
4	05/05/99	Order denying motion to use an abbreviated form of notice
5	(M) 05/12/99	MOTION FOR RECONSIDERATION (WESTERN KY GAS CO. JOHN HUGHES)
6	05/28/99	Application.
7	05/28/99	Acknowledgement letter.
8	05/28/99	Order approving use of amended proposed abbreviated notice form submitted 5/12.
9	(M) 06/04/99	MOTION TO INTERVENE (DAVID SPENARD AG)
10	(M) 06/04/99	LETTER OF CONCERN TO RATE INCREASE (EDWARD THOMASON CITIZEN)
11	(M) 06/08/99	CORRECTIONS TO APPLICATION FILED ON MAY 28,99 (JOHN HUGHES WESTERN KY GAS CO)
12	06/10/99	Order granting motion to intervene filed by Attorney General.
13	06/16/99	Order rejecting application; statutory time period to commence with req.info.
14	(M) 06/16/99	MISSING APPLICATION PAGES, REPLACEMENT COPIES. (JOHN N. HUGHES/ATTORNEY)
15	(M) 06/23/99	MOTION FOR RECONSIDERATION (JACK HUGHES WESTERN KY GAS)
16	07/02/99	Order suspending rates to Jan. 23, 2000; sets procedural schedule; info due 7/12
17	(M) 07/08/99	RESPONSE TO ORDER OF JULY 2,99 COPIES OF PUBLICATION (JOHN HUGHES WESTERN KY GAS)
18	(M) 07/12/99	OBJECTION TO RATE INCREASE (JOHN BAIRD/ATTORNEY AT LAW)
19	07/15/99	Letter to Jack Hughes regarding electronic filings
20	07/16/99	Data Request Order; response due 7/30
21	07/22/99	Response sent to John Baird letter of concern to rate increase.
22	07/29/99	Order scheduling 12/14 hearing; supplemental procedural schedule set forth
23	(M) 07/30/99	RESPONSE TO FIRST REQ FOR INFO & PETITION FOR CONFIDENTIALITY (JOHN HUGHES WESTERN KY GAS)
24	(M) 08/13/99	SUPPLEMENTAL RESPONSE TO ITEMS 47F & 60 C-E (JOHN HUGHES WESTERN KY GAS)
25	08/16/99	Letter granting petition for conf. filed 7/30/99 by Western Kentucky Gas.
26	(M) 08/17/99	MOTION FOR FULL INTERVENTION (MEL CAMENISCH WBI SOUTHERN INC)
27	(M) 08/18/99	RESPONSE TO ITEMS 6,10,12,19,23,24D,25,42C,& 71 (JOHN HUGHES WESTERN KY GAS)
28	08/19/99	Data Request Order; response due 9/3
29	(M) 08/19/99	INITIAL REQUEST FOR INFORMATION BY THE AG (AG DAVID SPENARD)
30	09/01/99	Order granting WBI Southern, Inc. intervention
31	09/03/99	Memorandum regarding application for adjustment of rates
32	(M) 09/03/99	RESPONSES TO PSC SECOND REQUEST FOR INFO TO AG FIRST REQ FOR INFO (JOHN HUGHES WESTERN KY GAS)

33 09/15/99 Letter granting petition for conf. filed 9/3/99 on behalf of Western Ky. Gas.

34 (M) 09/15/99 MOTION TO FILE DATA REQ UPON WESTERN KY GAS (MEL CAMENISCH WBI SOUTHERN INC)

35 (M) 09/15/99 DATA REQ TO WESTERN KY GAS BY WBI SOUTHERN INC (WBI SOUTHERN INC MEL CAMENISCH)

36 09/20/99 Order issuing data request; response due 10/4

37 (M) 09/20/99 SUPPLEMENTAL REQUEST FOR INFORMATION (DAVID SPENARD AG)

38 (M) 09/22/99 RESPOSNE TO AG INITIAL DATA REQ NO 181 & 182 (MARK HUTCHINSON WESTERN KY GAS)

39 10/01/99 Data Request Order; response due 10/8

40 (M) 10/01/99 SUPP REQ FOR INFO BY THE AG FOR THE APPLICANT SUPP RESPONSE (AG DAVID SPENARD)

41 (M) 10/04/99 RESPOSNES TO PSC THIRD REQ FOR INFO,AG SUPP REQ,WBI SUPP REQ,& PETITI (JOHN HUGHES WESTERN KY GAS)

42 10/07/99 Letters granting petitions for conf. filed 10/4/99 by Western Kentucky Gas.

43 (M) 10/07/99 UPDATED RESPONSE TO PSC INITIAL DATA REQ ITEM 39C (JOHN HUGHES WESTERN KY GAS)

44 (M) 10/07/99 REVISED RESPONSES TO DATA REQ ITEMS 49 & 153 OF AG INITIAL DATA REQ (MARK HUTHINSON WESTERN KY GAS)

45 (M) 10/07/99 REVISED SCHEDULES & DATA REQ RESPONSES TO FILING OF SPECIAL CONTRACTS (JOHN HUGHES WESTERN KY GAS)

46 (M) 10/08/99 RESPONSE TO ORDER OF OCT 1,99 TO MODIFY ITEMS 6 & 57 & 58 (JOHN HUGHES WESTERN KY GAS)

47 (M) 10/11/99 RESPONSE TO PSC ORDER OF OCT 1,99 ITEMS 57 & 58 (JOHN HUGHES WESTERN KY GAS)

48 (M) 10/14/99 RESPONSE TO AG VERBAL REQ FOR ADDITIONAL INFO TO SUPPORT ITEM 14 (JOHN HUGHES WESTERN KY GAS)

49 (M) 10/18/99 VERIFIED TESTIMONY OF KEITH TIGGELAAR (MEL CAMENISCH WBI SOUTHERN INC)

50 (M) 10/18/99 NOTICE OF FILING & CERTIFICATE OF SERVICE (DAVID SPENARD AG)

51 10/21/99 Order revising procedural schedule

52 10/29/99 Letter granting WKGS's petition for confidentiality filed 10/7/99.

53 (M) 11/03/99 UPDATED RESPONSE TO INITIAL DATA REQ ITEM 39C (MARK HUTCHINSON WESTERN KY GAS)

54 11/04/99 Order entered; info due 12/6

55 11/05/99 Data Request Order; response due 11/22

56 (M) 11/08/99 WESTERNS DATA REQUEST TO THE AG (WESTERN KY GAS JOHN HUGHES)

57 (M) 11/15/99 UPDATED EXHIBITS TO COMMISSION DATA REQ (JOHN HUGHES WESTERN KY GAS)

58 (M) 11/15/99 UPDATED SCHEDULES FOR FORCASTED MONTHS (JOHN HUGHES WESTERN KY GAS)

59 (M) 11/22/99 RESPONSE TO DATA REQ OF THE PSC (AD DAVID SPENARD)

60 (M) 11/22/99 RESPONSE TO WESTERNS DATA REQ TO THE AG (AG DAVID SPENARD)

61 12/03/99 Letter granting petition for conf. filed 11/15/99 on behalf of Western Ky. Gas.

62 (M) 12/03/99 JOINT STIPULATION & SETTLEMENT (JOHN HUGHES WESTERN KY GAS)

63 12/06/99 Order requesting direct testimony due 12/9/99.

64 (M) 12/06/99 REBUTTAL TESTIMONY (WESTERN KY GAS)

65 (M) 12/09/99 RESPONSE TO DEC 6,99 ORDER (AG DAVID SPENARD)

66 (M) 12/09/99 AFFIDAVITS VERIFYING REBUTTAL TESTIMONY OF WESTERNS WITNESSES (JOHN HUGHES WESTEN KY GAS)

67 (M) 12/09/99 RESPONSE TO DEC 6,99 ORDER (JOHN HUGHES WESTERN KY GAS)

68 (M) 12/09/99 SETTLEMENT TESTIMONY OF DALE LAWRENCE (ROBERT WATT WBI SANITATION)

69 12/10/99 Order cancelling 12/14 hearing; case is submitted to Commission for a decision.

70 (M) 12/10/99 AFFIDAVIT OF DALE R LAWRENCE (ROBERT WATT WBI SOUTHERN)

71 (M) 12/13/99 LETTER OF CONCERN TO RATE INCREASE (WALLY BRYAN CITIZEN)

72 12/21/99 Acknowledgment to William Wallace Bryan, Jr. former mayor re: rate increase.

73 12/21/99 FINAL ORDER; APPROVES TERMS AND CONDITIONS OF SETTLEMENT

- 74 (M) 01/07/00 COMPLIANCE TARIFF FILING PER ORDER OF DEC 21, 99 (WESTERN KY GAS WILLIAM SENTER)
- 75 (M) 03/06/00 RESPONSE TO ORDER FIST COMPANY COMMUNICATION ON NEW LATE PAYMENT (WESTERN KY GAS WILLIAM SENTER)
- 76 (M) 04/03/00 RESPONSE TO PSC ORDER CUSTOMER EDUCATION ON LATE PAYMENT CHARGE (WILLIAM SENTER WESTERN KY GAS)
- 77 (M) 05/12/00 COPY OF THE NEW LATE PAYMENT CHARGE (WILLIAM SENTER/WKG)
- 78 (M) 07/24/00 RESPONSE TO ORDER CONCERNING SEMI ANNUAL REPORTS ON DISCOUNT TARIFF (WESTERN KY GAS WILLIAM SENTER)
- 79 (M) 08/03/00 CUSTOMER EDUCATION MATERIALS (WILIAM SENTER/WKG)
- 80 (M) 01/18/01 SEMI-ANNUALLY REPORT ON ANY DISCOUNT NON GIVEN (WILLIAM SENTER WESTERN KY GAS)
- 81 (M) 06/29/01 WNA ANNUAL REPORT (WILLIAM SENTER/WKG)
- 82 (M) 07/26/01 William J Senter - Western Kentucky Gas Company - SEMI-ANNUAL REPORT
- 83 (M) 08/02/01 Mark R Hutchinson - LETTER GIVING NOTICE OF CHANGE OF ADDRESS FOR MARK HUTCHINSON
- 84 (M) 01/17/02 William J Senter - Western Kentucky Gas Company - Response to Order Semi-Annual report

RECEIVED

JAN 17 2002

PUBLIC SERVICE
COMMISSION



January 15, 2002

Honorable Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

**Subject: Case No. 99-070
Margin Loss Recovery Mechanism - Semi-Annual Report**

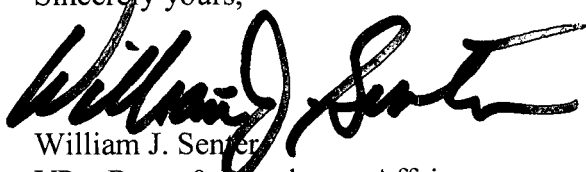
Dear Mr. Dorman:

In the Commission's Order in Case No. 99-070, Western Kentucky Gas Company was required to semi-annually report on any discount provided under its Margin Loss Recovery tariff during the prior six months.

As of this writing, Western has provided no discounts under this provision.

Please advise if the Commission or Staff have any questions.

Sincerely yours,


William J. Senter
VP - Rates & Regulatory Affairs

Western Kentucky Gas Company

July 31, 2000

Honorable Martin J. Huelsmann, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

**Subject: Case No. 99-070
Weather Normalization Adjustment - Customer Communications**

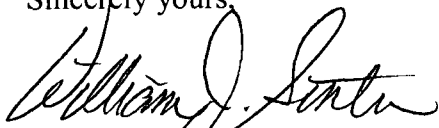
Dear Mr. Huelsmann:

As required in the Commission's Order in Case No. 99-070, enclosed are copies of the customer education materials Western Kentucky Gas will place in customer bills.

1. The bill insert goes in August bills consistent with the Commission's requirement that the Company to educate its customers on WNA 90 days prior to commencement of WNA which begins November 1, 2000 for a five-year pilot.
2. Western Kentucky Gas will also place the enclosed bill messages in the October and November bills.
3. The bill insert is also the foundation for the script provided to our associates in our Customer Support Center when responding to any questions which may be called in from customers.

Please call me at 270-685-8072 if the Commission or Staff have any questions.

Sincerely yours,



William J. Senter
VP - Rates & Regulatory Affairs

Enclosures

Cc: Mr. Bob Johnston

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AUG 03 2000
PUBLIC SERVICE
COMMISSION



WEATHER NORMALIZATION

The Kentucky Public Service Commission has approved a Weather Normalization Adjustment, beginning November 1, 2000, for all residential, commercial and public authority customers of Western Kentucky Gas. Bills will be "weather normalized" for meters read from November through April. During these months of typically colder weather, Weather Normalization will ensure that one component of your bill - your distribution charge - is relatively stable each month regardless of the temperature and volumes of gas you use.

How does Weather Normalization work?

Weather Normalization is an adjustment made to the distribution charge on your gas bill. We calculate the difference between the actual and normal temperatures for each day and adjust your distribution charge per CCF (one hundred standard cubic feet) to reflect normal temperatures. Normal temperature is defined as a thirty-year average. If temperatures are colder than normal, your distribution charge per CCF will be less than it otherwise would be. If temperatures are warmer than normal, your distribution charge per CCF will be higher to reflect normal temperatures. In this way, a portion of your bill will become less sensitive to temperature variations during the winter - or "weather normalized".

What is the benefit of Weather Normalization?

Weather Normalization makes your bill and our revenues less subject to winter weather variations. Our distribution charge is set to generate a "normal" amount of revenue during the winter when most gas is consumed. Without Weather Normalization, if the winter temperatures vary from normal winter levels, we would generate either more or less revenue from our customers. Weather Normalization ensures that our distribution charge recovers no more or less revenue than intended regardless of weather variations. For customers, this means more stable distribution charges despite the winter temperatures.

Does Weather Normalization mean that I will pay the same amount for gas each month during the winter?

No. Your gas bill is comprised of three parts - the customer charge, gas cost charge and distribution charge. The customer charge is the fixed minimum monthly charge. The gas cost charge is based on the market price of natural gas itself and the actual volume of gas you use each month. The distribution charge is the charge for delivering natural gas to your home and includes the cost of our pipe, service trucks, wages, etc. We refer to these costs as distribution costs. *Only your distribution charge will be weather normalized.* Your customer charge and gas cost charge will not be affected.

So, my gas bill will still be higher during the winter and lower during warmer weather?

Yes. Since you will "buy" more gas during colder periods and less gas during warmer periods, your total gas bill will continue to fluctuate. Weather Normalization just ensures that we recover only a normal level of distribution costs during the winter.

Market prices for natural gas are predicted to be much higher this winter. Will Weather Normalization cushion the effect of higher market prices?

No. The factors behind the increases in the market price of natural gas are national in scope and reflect, among other things, increased demand for the natural gas used by electric power plants. The gas we purchase is subject to the same market price fluctuations. Weather Normalization will only ensure we recover a normal level of distribution costs. It cannot influence the market price of gas we have to pay.

Is Weather Normalization different from Budget Billing?

Yes, Weather Normalization only adjusts your distribution charge during the winter. Budget Billing remains an option for customers who want to equalize their entire bill throughout the year.

Will my bill look any different?

No. Your bill will look just the same and you may not even notice the change. However, if the weather has been colder than normal, the rate per CCF at which your distribution charge is calculated will be somewhat less. If the weather has been warmer your distribution charge will be somewhat more.

What about the gas I use that is not affected by weather, like water heating?

We determine an average volume of gas used for non-heating purposes. Those volumes will not be weather normalized.

Is Weather Normalization new?

Weather Normalization will be new to Western Kentucky Gas customers. However, gas customers in other parts of Kentucky and the country have benefited from weather normalization for many years.

What's the bottom line?

You probably won't notice much difference in your bill because the purpose of Weather Normalization is to keep your distribution charges more stable during the winter. Still, if you have any questions, please feel free to call us at 1-888-WKG-4321.

**Western Kentucky Gas
Weather Normalization Adjustment
Bill Message - October**

Reminder: Beginning in November, Western Kentucky Gas will implement "Weather Normalization" to help stabilize your Distribution Charges and our revenues during the winter months regardless of winter temperature variations. Under Weather Normalization the Distribution Charge on your bill will be adjusted each month during the Winter to ensure you pay no more or less than you would during "normal" winter conditions. (Note: Weather Normalization cannot affect the market price of gas reflected in your gas cost charge.)

Should you have any questions about Weather Normalization, please feel free to call us at 1-888-WKG-4321.

**Western Kentucky Gas
Weather Normalization Adjustment
Bill Message - November**

Beginning this month, Western Kentucky Gas is implementing "Weather Normalization" to help stabilize your Distribution Charges and our revenues during the winter months. Regardless of whether actual winter temperatures are colder or warmer than normal, Weather Normalization adjusts the Distribution Charge on your bill to reflect "normal" winter temperatures. (Note: Weather Normalization cannot affect the market price of gas reflected in your gas cost charge.)

Should you have any questions about Weather Normalization, please feel free to call us at 1-888-WKG-4321.

Western Kentucky Gas Company

May 9, 2000

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MAY 12 2000
PUBLIC SERVICE
COMMISSION



Honorable Martin J. Huelsmann
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Subject: Docket No. 1999-070 / Customer Education on Late Payment Charge

Dear Mr. Huelsmann:

In compliance with the Commission's Order in Docket No. 99-070, I am enclosing a copy of the third and final customer communication on the new Late Payment Charge. The Order required Western to provide copies of all customer communications on the Late Payment Charge. This bill message on the new Late Payment Charge is included on our May bills.

Please call me at 270-685-8072 if you have any questions.

Sincerely yours,

A handwritten signature in cursive script that reads "William J. Senter".

William J. Senter
VP -- Rates & Regulatory Affairs

Enclosures

Cc: Mr. Bob Johnston

May Bill Message:

Western Kentucky Gas now applies a 5% penalty for late payments. To avoid a Late Payment Charge please pay for gas services provided by the due date shown on the your bill. The very best way to avoid being assessed a Late Payment Charge is to sign-up for Automatic Payment by Bank Draft and Budget Billing. Automatic Payment by Bank Draft ensures your payment will always be on time. Budget Billing provides you a level bill year-round, subject to an annual adjustment each April.

If you have questions regarding the new Late Payment Charge or want to sign-up for any of our payment options, please call us at 1-888-WKG-4321.

Western Kentucky Gas Company

March 31, 2000

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APR - 3 2000
PUBLIC SERVICE
COMMISSION



Honorable Martin J. Huelsmann
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Subject: Docket No. 1999-070 / Customer Education on Late Payment Charge

Dear Mr. Huelsmann:

In compliance with the Commission's Order in Docket No. 99-070, I am enclosing several copies of the second customer communication on the new Late Payment Charge. The Order required Western to provide copies of all customer communications on the Late Payment Charge concurrent with distribution to our customers.

Our April bills will include a bill message printed on the bill, as well as a bill insert, exclusively dedicated to the new Late Payment Charge. I am also enclosing our implementation policies, including our plans to allow a one-time waiver of the fee during implementation.

Please call me at 270-685-8072 if you have any questions.

Sincerely yours,

A handwritten signature in cursive script that reads "William J. Senter".

William J. Senter
VP – Rates & Regulatory Affairs

Enclosures

Cc: Mr. Bob Johnston

Western Kentucky Gas Company
Late Payment Charge

Customer Support Center / Billing Center Policies

Guidelines for handling customer inquiries regarding the Late Payment Charge that goes into effect for Western Kentucky Gas Company on May 1, 2000:

The Late Payment Charge was briefly described to customers in the March bill insert, and more thoroughly on the April bill message and in an April bill insert. We will likely repeat some of this in May. We believe these narratives will give most customers the explanation they need.

Customer Support Center:

The goal of the Late Payment Charge is to reduce late payments and uncollectibles. Hence, we want to exercise flexibility in implementing the Late Payment Charge and discretion when handling customer inquiries:

- Although we have authority to apply the Late Payment Penalty after the previous month's due date, we may give the customer a grace period before we actually apply it to their bill. That is, the late payment penalty would be applied several (usually three) days after the due date. This is common practice more often than not.
- During the implementation of the Late Payment Charge customer service associates (CSAs) will freely waive the charge to any customer who calls in to ask for waiver, complains, says they did not think it would apply so soon, or otherwise pleads their case. We will be very agreeable to waive this charge during the month of May (and May only) because it is new and because for years our customers over the years by not charging for late payments. This is a one-time only waiver. If the customer expresses concern about their ability to catch up on their bill, we will offer payment arrangements.
- The bill insert has several suggestions for the customer to avoid being assessed a Late Payment Charge. When customers call-in, we will review these with them if they say they can't pay on time every month due to when they get their checks or whatever. For some customers, budget billing may also be a better option although they'll still have to pay on time.
- As we move beyond May, CSAs should be empowered to waive this charge whenever reasonable circumstances are presented by the customer, especially if their payments record is good and we've never had to waive the charge for that customer before.

Billing Center:

- There may be a short grace period before the Late Payment Charge is applied - usually three days after the due date. Whatever our Atmos common practice is, we intend to follow that practice for the Kentucky Late Payment Charge.
- If a customer has agreed with us to payment arrangements we will not apply the Late Payment Charge. However, if a customer who has made payment arrangements with us fails to make his scheduled payment on time, the Late Payment Charge would apply.
- If there is any billing problem where we've made the error or bills went out late, and there was no systematic cut off of the Late Payment Charge before the bills went out, our CSAs will be empowered to waive the Late Payment Charge. Knowing we made a mistake, of course, is important and requires excellent communication between the billing center, KPT and the CSC. The billing center will alert WKG management and the CSC whenever there is a delay in sending out bills which could abnormally shorten the time customers have to pay their gas bill.
- The billing center needs to "cut off" Late Payment Charges from printing on bills where such a delay or similar error contributing to customer confusion has occurred the previous month. This is common practice already.
- Similarly, there will be coordination and communication between the billing center, WKG management and the CSC when it is time to "turn back on" the Late Payment Charge feature as well should it ever be temporarily turned-off.

April Bill Message for Western Kentucky Gas:

Late Payment Charge

Beginning May 1, 2000, a penalty for late payments will be applied. The purpose of this charge is to encourage prompt payment for gas services provided. Customers who fail to pay for gas services provided by the due date shown on the previous month's bill will be subject to a 5% penalty. An insert discussing the new Late Payment Charge is enclosed in this month's bill. After reading this insert, if you still have questions regarding the new Late Payment Charge, please call us at 1-888-WKG-4321.

Western Kentucky Gas Company

RECEIVED
MAR 6 2000
PUBLIC SERVICE
COMMISSION



March 1, 2000

Honorable Martin J. Huelsmann
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Subject: Docket No. 1999-070 / Customer Education on Late Payment Charge

Dear Mr. Huelsmann:

In compliance with the Commission's Order in Docket No. 99-070, I am enclosing several copies of the first customer communication on the new Late Payment Charge. The Order required Western to provide copies of all customer communications on the Late Payment Charge concurrent with distribution to our customers.

You will see that this bill insert is primarily dedicated to explanation of the new rate structure now appearing on our bills, which was also approved by the Commission. This bill insert will be included in all of our March bills.

Our April bills will include a bill message printed on the bill, as well as a bill insert, exclusively dedicated to the new Late Payment Charge. I will forward copies to you when ready. I will also share with you our implementation procedures, including our plans to allow a one-time waiver of the fee during implementation.

Please call me at 270-685-8072 if you have any questions.

Sincerely yours,

A handwritten signature in cursive script that reads "William J. Senter".

William J. Senter
VP - Rates & Regulatory Affairs

Enclosures

Cc: Mr. Bob Johnston

Beginning this month, you will notice a new bill format which makes it easier to understand our gas bill. Your gas bill is not increasing as a result of these changes. Your gas charges are comprised of three basic components – the Customer Charge, Distribution Charge and Gas Cost Charge. Now, each of these components will appear on your bill, allowing you to better understand how your monthly charges are computed.

The **Customer Charge** is the minimum monthly charge. The customer charge is \$7.50 for residential customers and \$20.00 for commercial customers.

The **Distribution Charge** is the charge for delivering natural gas to you home or business. Your monthly distribution charges will vary based upon the amount of natural gas you use.

The **Gas Cost Charge** is based on the market price of natural gas. Typically, the cost of gas per hundred cubic feet (Ccf) will be adjusted every three months, but may change more frequently.

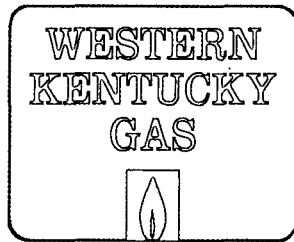


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Your total gas cost charge will be determined by the amount of natural gas you use each month.

We believe you will find these changes helpful and give you more information about how your gas bill is computed. Should you have any questions, please call **1-888-WKG-4321**.

Notice: Late Payment Charge begins May 1, 2000. To encourage prompt payment for gas services provided, a 5% Late Payment Penalty will soon be applied to customers that fail to pay for gas services provided by the due date shown on their previous month's bill. More information regarding the new Late Payment Charge will be provided in next months's bill.



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Notice: Late Payment Charge begins May 1, 2000. To encourage prompt payment for gas services provided, a 5% Late Payment Penalty will soon be applied to customers that fail to pay for gas services provided by the due date shown on their previous month's bill. More information regarding the new Late Payment Charge will be provided in next month's bill.



LATE PAYMENT CHARGE

Beginning May 1, 2000, Western Kentucky Gas will apply a 5% Late Payment Charge to customers who fail to pay for gas services provided by the due date shown on the previous month's bill. The Late Payment Charge will be applied to the total unpaid amount of the previous month's charges only. The purpose of this penalty is to encourage prompt payment for services. Customers can avoid being assessed a Late Payment Charge by paying for their gas



service on time by the due date shown on their bill.

Fortunately, most of our customers do pay their gas bill on time, but not all. Payment of your bill by the due date also has a very practical advantage. If you pay your bill by the due date you can be assured that your payment will be processed in time so that it will appear as "Payment Received" on your next bill.

(Continued on the back)

Western Kentucky Gas has several suggestions to help you avoid a Late Payment Charge:

Automatic Payment by Bank Draft – The most convenient and economical way to pay your gas bill is to set up an automatic payment every month from your bank account. Because the amount due will be withdrawn from your account on the due date your payment will never be late. You will still receive a monthly statement explaining your charges. Just call us at 1-888-WKG-4321 to set this up.

Pay By Mail – Mail your bill payment the day you receive your bill.

Convenient Pay Centers – Western Kentucky Gas has convenient pay centers located in grocery stores, banks or other retail businesses in your area. Most of these are open at night and on week-ends. For a list of convenient pay centers near you, call us at 1-888-WKG-4321 or visit our web site at www.westernkentuckygas.com.

Payment Arrangements – If you are unable to pay your bill, call us in advance of your due date to see if you are eligible for payment arrangements. We will ask you to make an immediate partial payment of your bill and then set up a reasonable schedule of payments for the balance. Compliance with these arrangements will ensure that you are not assessed a late payment penalty. Our Customer Support Center is open to assist you 24 hours a day, 7 days a week at 1-888--WKG-4321.

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COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-070
WESTERN KENTUCKY GAS COMPANY

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on December 21, 1999.

See attached parties of record.

Stephanie J. Bell

Secretary of the Commission

SB/sa
Enclosure

William J. Senter
V.P. Rates & Regulatory Affairs
Western Kentucky Gas Company
2401 New Hartford Road
Owensboro, KY. 42303 1312

Honorable Mark R. Hutchinson
Attorney at Law
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Atmos Energy Corporation
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Dallas, TX. 75265

Honorable David Edward Spenard
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Frankfort, KY. 40601 8204

Hon. Robert M. Watt,
Hon. J. Mel Camenisch, Jr.
STOLL, KEENON & PARK, LLP
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Lexington, KY. 40507 1380

Mr. Keith Tiggelaar
Manager-Regulatory Affairs
WBI Southern, Inc.
P.O. Box 5601
Bismarck, ND. 58506 5601

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN)
KENTUCKY GAS COMPANY) CASE NO. 99-070
FOR AN ADJUSTMENT OF RATES)

O R D E R

On June 23, 1999, Western Kentucky Gas Company ("Western"), a division of Atmos Energy Corporation, filed a general rate application based on a forecasted test year ending December 31, 2000. Western proposed an increase in revenues of \$14,127,666, an increase of approximately 11.7 percent over its existing revenues.

To determine the reasonableness of the request, the Commission suspended the proposed rates for six months from their effective date pursuant to KRS 278.190(2) up to and including January 23, 2000. The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and WBI Southern, Inc. ("WBI") intervened. The Commission established a procedural schedule that afforded all parties the opportunity to file direct testimony and engage in discovery.

On December 3, 1999, the parties filed a Joint Stipulation and Settlement ("Settlement") resolving, to their satisfaction, the issues in this case. The Settlement is attached as Appendix A. On December 6, 1999, the Commission ordered the parties to file evidence in support of the reasonableness of the Settlement. The parties filed their responses to this Order on December 9, 1999. After review of the Settlement, direct testimony, extensive discovery and the information submitted by the parties to

support the settlement, the Commission determined the record to be sufficient to render a decision and cancelled the hearing on Western's rate application scheduled to begin on December 14, 1999.

The parties agree that the Settlement is for the purposes of this case only and shall not be binding on the parties in any other proceeding before this Commission or in any court and shall not be offered or relied upon in any other proceeding involving Western or any other utility regulated by this Commission.

The parties urge the Commission to review and accept the Settlement in its entirety as a reasonable resolution of the issues in this proceeding. While the overall reasonableness of the Settlement is an important factor, the Commission is bound by law to act in the public interest and review all elements of the Settlement. In determining whether the results of the Settlement are in the public interest and beneficial to the ratepayers, the Commission considered the fact that the Settlement is a unanimous agreement of the parties.

After review of the Settlement, an examination of the record, and being otherwise sufficiently advised, the Commission finds that the Settlement is generally reasonable, but that certain modifications should be made. Although acceptance of the Settlement is conditioned on certain modifications, the modifications described herein should not significantly affect the agreement.

The following is a synopsis of the terms of the Settlement together with comments and descriptions of modifications the Commission finds necessary.

1. The parties agree that Western will receive additional annual revenues of approximately \$9,940,000, an overall revenue increase of 8.24 percent. The rate

increase will be effective December 15, 1999 and will be allocated among Western's customer classes as follows:

Residential	\$ 6,238,259
Commercial	2,385,006
Industrial	901,580
Other revenues	415,089

In determining the overall reasonableness of the proposed increase in annual revenues, the Commission has evaluated all revenue and expense adjustments proposed by Western in light of its traditional rate-making treatment. In addition, it has considered the current economic conditions and the rates of return on common equity that have been authorized in recent cases. Based on a review of all these factors and the evidence of record, the Commission finds that the \$9,940,000 revenue increase will result in earnings that fall within a range reasonable to both Western and its customers and result in rates that are fair, just and reasonable. The Commission finds the rates included in Exhibit A of the Settlement, which is attached as Appendix B of this Order, to be fair, just and reasonable. However, we find the effective date of the rates agreed to by the parties of December 15, 1999 to be untenable. Therefore, the effective date of the rates should be for services rendered on and after the date of this Order.

2. Western will recover its demand side management program expenses prospectively for three years beginning in January 2000.

3. Western will adjust and establish certain non-recurring charges, including a new late payment charge of 5 percent applicable to all customers served under Rate G-1 that fail to pay for services by the due date shown on their bill. Western will implement this late payment charge in April of 2000. This will provide Western sufficient time to educate its customers on this new provision. The Commission finds that, in order

for it to be familiar with Western's education program and be better prepared to respond to possible customer inquiries, all educational materials should be submitted to the Commission at the same time they are disseminated to Western's customers.

4. Western will implement, as a pilot program for a period of five years, the weather normalization adjustment ("WNA") tariff included in its application, commencing November 1, 2000. Under the terms of the Settlement, Western will submit a monthly report to the Commission summarizing the effect of its WNA on customer bills by cycle for each customer class as well as actual and normal degree days and the number of days in a normal cycle. In addition Western will report a WNA factor and actual total revenues for each cycle.

The Commission finds that a greater amount of information than Western proposes to file on the WNA is necessary, but finds that annual reports, rather than monthly reports, should be filed. Western should file annual reports on the WNA, including the information set out in Appendix C, as soon after each heating season as possible but no later than June 30th of the following summer.

The Commission finds that the commencement date of November 1, 2000 affords Western an opportunity to educate its customers on this new provision and that Western should prepare and disseminate information on this new provision to its customers no later than 90 days prior to the implementation. The Commission further finds that all educational materials and information disseminated by Western to its customers on the WNA should be filed with the Commission for the same reasons enumerated above in Paragraph 3.

Should Western wish to continue the WNA pilot beyond the five year period or implement the WNA on a permanent basis, Western should make such a request in the form of a formal application to be submitted to the Commission when it files its annual WNA report in June 2005.

5. Western will adjust its base customer charges as follows: (1) the residential customer charge will increase from \$5.10 to \$7.50; (2) the commercial customer charge will increase from \$13.60 to \$20.00; and (3) the industrial customer charge will increase from \$150.00 to \$220.00.

6. Western will implement the industrial margin loss recovery ("MLR") mechanism proposed in its application with one modification. Per the terms of the Settlement the parties agree on a 50-50 sharing of the lost revenue between shareholders and residential customers rather than the originally proposed sharing ratio of 10-90. Western will make semi-annual filings with the Commission, in January and July, that reflect the discounts implemented during the six months ended November and May, respectively.

The Commission finds that this proposal is one of first impression before this Commission and, as such, should be implemented as a pilot for a period of three years. Western should file semi-annual reports on the MLR with the Commission as agreed to in the Settlement with the first report filed in July 2000 reflecting all discounts implemented from the date of this Order through May of 2000. Should Western wish to continue the MLR pilot beyond the three year period or implement the MLR on a permanent basis, Western should make such a request in the form of a formal

application to be submitted to the Commission when it makes its semi-annual MLR filing in July 2003.

The Commission finds that there is an unintended discrepancy between the text of the Settlement and the MLR tariff as to the applicability of the 50-50 sharing of lost revenues. Per the MLR tariff attached to the Settlement the 50-50 sharing of lost revenues is to be between the shareholders and all G-1, G-2, LVS-1 and LVS-2 customers. The proposed MLR tariff in Western's application also identified these rate classes as the classes that were to share in the lost revenues. The sharing of lost revenues is approved to apply to all customers served under these rate schedules, as stated in the tariff at Tariff Sheet 29L, not to residential customers only.

7. Western will separate its gas cost from base rates by bifurcating its commodity charge into a distribution charge and a gas charge. However, the parties agree that Western is not bound by this provision in future cases.

8. Western will begin filing its gas cost adjustment on a quarterly basis beginning with the first quarter following the Commission's ruling on the Settlement.

9. Western will begin collecting a Gas Research Institute research and development surcharge.

10. Western will modify its proposal on the Alternative Receipt Point T-5 Tariff. It will change the net monthly rate of \$0.10 per Mcf it originally proposed to a \$50.00 monthly administrative fee per customer. The fee will be waived if, during the month, the Alternate Receipt Point represents the only point of receipt utilized by the customer.

11. With regard to the interconnection of the East Diamond Field into Western's system, WBI or its subsidiary Kentucky Pipeline and Storage Company will

contract for and install facilities in accordance with Western's specifications. Western will take title to the facilities and operate and maintain the facilities as the parties agree to and outline in a finalized interconnection agreement.

IT IS THEREFORE ORDERED that:

1. The Settlement set forth in Appendix A to this Order is hereby incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement are approved as modified in this Order.

3. The rates and charges, and all other tariff changes included in Exhibit A of the Settlement and attached hereto as Appendix B to this Order are fair, just and reasonable and are approved for service on and after the date of this Order.

4. Any party wishing to exercise its right to withdraw from the Settlement because of modifications ordered herein shall notify the Commission in writing of its intent within 10 working days of the date of this Order.

5. If the Settlement is withdrawn due to any party's withdrawal from the Settlement, this Order will be vacated.

6. Western shall disseminate educational materials to its customers on the WNA beginning at least 90 days before its implementation on November 1, 2000.

7. Western shall file annual reports on the WNA as soon after each heating season as possible but no later than June 30th of the following summer in the format shown in Appendix C.

8. Western shall provide the Commission with all educational materials it provides its customers with regard to the late payment penalty and the WNA at the time such materials are provided to its customers.

9. Should Western seek to continue the WNA beyond the pilot period it shall do so only after filing a formal application requesting Commission approval of its proposal to continue the WNA.

10. The MLR proposed in the Settlement is approved as a pilot program for a period of three years and shall be applicable to all customers served under Western's G-1, G-2, LVS-1 and LVS-2 rate schedules.

11. Western shall file its first MLR report with the Commission in July 2000. The July 2000 MLR report shall reflect all discounts implemented from the date of this Order through May 31, 2000.

12. Should Western seek to continue the MLR beyond the pilot period it shall do so only after filing a formal application requesting Commission approval of its proposal to continue the MLR.

13. Within 20 days from the date of this Order, Western shall file with the Commission revised tariff sheets setting out the rates and tariffs approved herein for service rendered on and after the date of this Order. These tariff sheets shall show their date of issue, the effective date, and that they were issued by authority of this Order.

Done at Frankfort, Kentucky, this 21st day of December, 1999.

By the Commission

ATTEST:


Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 99-070 DATED DECEMBER 21, 1999

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE RATE APPLICATION OF WESTERN)
KENTUCKY GAS COMPANY FOR AN) CASE NO. 99-070
ADJUSTMENT OF RATES)

JOINT STIPULATION AND SETTLEMENT

On June 23, 1999, Western Kentucky Gas Company filed an application seeking a general increase in rates. Under the original concept, Western sought an increase in revenue of \$14,127,650, which reflects an approximate increase in rates of 11.7%.

The primary factor underlying Western's request for an increase in rates is Western's rate base growth. The growth includes investment in Western's computer systems and information technology for serving customers.

Under the settlement recommendation, Western will reduce its request for a rate increase to \$9,940,000, which reflects an approximate increase in rates of approximately 8.24%. This settlement is approximately 30% less than the amount originally requested by Western. Western's last general adjustment in rates was made on March 1, 1996. The recommended increase comports with the general level of inflation since Western's last adjustment in rates.

All of the parties to this proceeding, Western Kentucky Gas Company ("Western"), the Attorney General of the Commonwealth of Kentucky, and WBI Southern, Inc. jointly stipulate

and agree that Western should be permitted to adjust its rates to recover \$9,940,000 in additional annual revenues effective for service on and after December 15, 1999.

Western's annual revenues at existing rates are \$120,587,318 as shown on Revised Exhibit GLS-1, Schedule 1 of 1. The effect of this Stipulation and Settlement is to authorize Western to recover total revenues on an annual basis of \$130,527,318 (\$120,587,318 + \$9,940,000). The additional revenue stipulated is reasonable and the additional \$9,940,000 shall be added to Western's rates and allocated among the customer classes as follows: residential rates: \$6,238,259 (9.1%); commercial: \$2,385,006 (6.9%); industrial: \$901,580 (5.4%); other gas revenues: \$415,089 (55.0%). The increase authorized is 8.24% to Western's customers based upon the revenue received from its current customers.

All of the parties understand that this Stipulation and Settlement is not binding upon the Public Service Commission of the Commonwealth of Kentucky. The parties do not agree on any specific item of change as requested by Western except as specified herein, nor any specific theory supporting the appropriateness of the changes recommended. Modifications to Western's tariffs are for this case only and are not binding upon any party in any future proceeding.

All of the parties to this proceeding as evidenced by their signatures agree that the increase in rates stipulated is reasonable, viewed in the context of a resolution of Western's case, is in fact a reasonable resolution of all the issues in the proceeding and is fair, just and reasonable to the shareholders and ratepayers of Western.

In summary, the adjustments to Western's proposed rate application are as follows: The proposed premises charge is withdrawn, tariff sheet 67. Western's request for the cost recovery of the demand side management (DSM) pilot program expenses is withdrawn. Western's cost

recovery of the three year extension of the DSM program is adopted as proposed, tariff sheets 30a-30c. Western's proposal for a weather normalization adjustment (WNA) is adopted as proposed, tariff sheet 26. The WNA will be implemented as a pilot program for five years. All service charges are adopted as proposed, tariff sheets 51, 65-67. The residential customer charge proposed by Western is adjusted to \$7.50. The customer charges applicable to commercial and industrial customers are adjusted to \$20.00 and \$220.00 respectively. The industrial margin loss recovery mechanism is accepted, but amended to reflect a 50-50 sharing of the lost revenue between shareholders and residential customers, tariff sheet 29L. Western's proposal to bifurcate its commodity charge into a distribution charge and a gas charge is adopted. Further, the parties are not bound by this provision in future cases. Finally, Western will begin filing its gas cost adjustment (GCA) on a quarterly basis beginning with the first quarter following the Commission's adoption of this settlement, tariff sheets 27-29. Western's proposal for a Gas Research Institute Research and Development Rider is adopted.

Western will modify its proposed "T-5" Tariff changing the originally proposed net monthly rate from \$0.10 per Mcf to a \$50.00 monthly administrative fee per customer, as more fully detailed on Tariff Sheets No. 49 and 50.

Regarding the interconnect of the East Diamond Field into Western's system, WBSI or its subsidiary Kentucky Pipeline and Storage Company ("KYPSCO") would contract for and install facilities in accordance with Western's specifications, and Western agrees to take title to those facilities and to operate and maintain those facilities as more fully detailed in the interconnect agreement to be finalized.

In support of the conclusion of the reasonableness of the increase stipulated, the parties

continue to expend time, energy and resources in contesting this matter and the possibility of any request for a rehearing or appeal of the Commission's decision is eliminated.

All of the parties waive cross-examination of all witnesses unless the Commission does not approve this Stipulation and Settlement. The Stipulation and Settlement is agreed to for the purposes of Case No. 99-070 only, and shall not be binding on the parties in any other proceeding before this Commission or any court and it shall not be offered or relied upon in any other proceeding involving Western Kentucky Gas Company or any other utility regulated by the Public Service Commission of the Commonwealth of Kentucky.

If the Public Service Commission adopts this Stipulation and Settlement in its entirety, each of the parties agrees that it shall not file an application for rehearing with the Commission or appeal this case or any part of it to the Franklin Circuit Court.

If the Public Service Commission does not adopt this Stipulation and Settlement in its entirety, each party reserves the right to withdraw from it and to request that this case proceed as if no Stipulation and Settlement had been entered into. In such event, this Stipulation and Settlement shall not be binding upon any of the parties and shall not be admitted into evidence or relied upon in any manner by any of the parties, the Commission or its staff.

Western's proposal, with the changes agreed upon, are acceptable to the parties and reflected in the proposed tariff sheets attached to this Stipulation and Settlement as Attachment A.

Attached to the Stipulation and Settlement as Attachment B is the proof of revenue, showing that the rates set forth in Attachment A will generate no more than the proposed revenue increase to which the parties have agreed.

The parties stipulate and recommend that the Notice of Intent, Notice, Application, testimony, pleadings, responses to data requests and other matters filed in this case shall be admitted into the record and that they provide sufficient evidentiary support for this Stipulation and Settlement.

All the parties agree that this Stipulation and Settlement is reasonable and in the best interest of all concerned and urge the Commission to adopt the Stipulation and Settlement in its entirety.

AGREED TO:

Western Kentucky Gas Company

BY: William J. Senter

TITLE: Vice President - Rates & Regulatory Affairs

DATE: December 2, 1999

Attorney General's Office of Rate Intervention

BY: Dan L. L. L.

TITLE: Assistant Attorney General

DATE: December 3, 1999

WBI Southern, Inc.

BY: Robert W. W.

TITLE: Counsel for WBI Southern, Inc.

DATE: 12/2/99

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-070 DATED DECEMBER 21, 1999

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Fourth Revised SHEET No. 1

Cancelling

Third Revised SHEET No. 1

WESTERN KENTUCKY GAS COMPANY

Rate Book Index

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ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Fourth Revised SHEET No. 2

Cancelling

Third Revised SHEET No. 2

WESTERN KENTUCKY GAS COMPANY

Rate Book Index

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The following pages have been reserved for future use: 8-10, 14, 33, 39, 53-60

(T)

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

First Revised SHEET No. 3

Cancelling

Original SHEET No. 3

WESTERN KENTUCKY GAS COMPANY

Towns and Communities in Service Area

The Service Area of the Company includes the following towns and their environs:

Adairville	Dennis	Hartford	Munfordsville	Sebree	
Aetnaville	Depoy	Hawesville	Niagara	Sedalia	(N)
Alton	Dermont	Heath	Nortonville	Shelby City	
Anthoston	Dixon	Hendron	Oak Ridge	Shelbyville	
Anton	Earlington	Herbert	Oakdale	Slaughters	(N)
Auburn	Eddyville	Hickory	Oakland	Smiths Grove	
Baskett	Elkton	Hill-n-dale	Oklahoma	Sorgho	
Beadlestown	Ellmitch	Hiseville	Owensboro	So. Henderson	(N)
Beaver Dam	Empire	Hopkinsville	Paducah	So. Highland	
Beda	Epley	Horse Cave	Park City	So. Union	
Beulah	Epperson	Hustonville	Perryville	Spottsville	
Boston	Evergreen	Junction City	Philpot	Springfield	
Bowling Green	Farmdale	Knottsville	Pleasant Hill	St. Charles	
Bremen	Fearsville	Lake City	Pleasant Ridge	St. Joseph	
Briartown	Feliciana	Lancaster	Plum Springs	Stanford	
Browns Valley	Finley	Lawrenceburg	Poole	Stanley	
Buck Creek	Fordsville	Lebanan	Powderly	Stringtown	
Buford	Franklin	Livia	Princeton	Summersville	
Burgin	Fredonia	Logantown	Pritchardsville	Sutherland	
Cadiz	Fruit Hill	Lone Oak	Pryorsburg	Symsonia	
Calhoun	Gilbertsville	Luzerne	Reidland	Thurston	
Calvert City	Gishton	Maceo	Reidville	Utica	
Calvary	Glasgow	Madisonville	Reynolds Sta.	Waddy	(N)
Campbellsville	Glenville	Mannington	Robards	Water Valley	
Carbondale	Grahamville	Marion	Rocky Hill	West Louisville	
Cave City	Grand Rivers	Masonville	Rome	Whitesville	
Central City	Greensberg	Mayfield	Rowletts	Wingo	
Charleston	Greenville	McGowan	Rumsey	Woodburn	
Cloverport	Habit	Memphis Junc.	Russellville	Woodlawn	
Crayne	Hanson	Midland	Sacramento	Woodsonville	
Crofton	Hardeman	Milledgeville	Salmons	Yelvington	
Danville	Hardinsburg	Moreland	Saloma	Zion	
Dawson Springs	Harned	Mortons Gap	Schochoh		
Deanfield	Harrodsburg	Mosleyville			

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

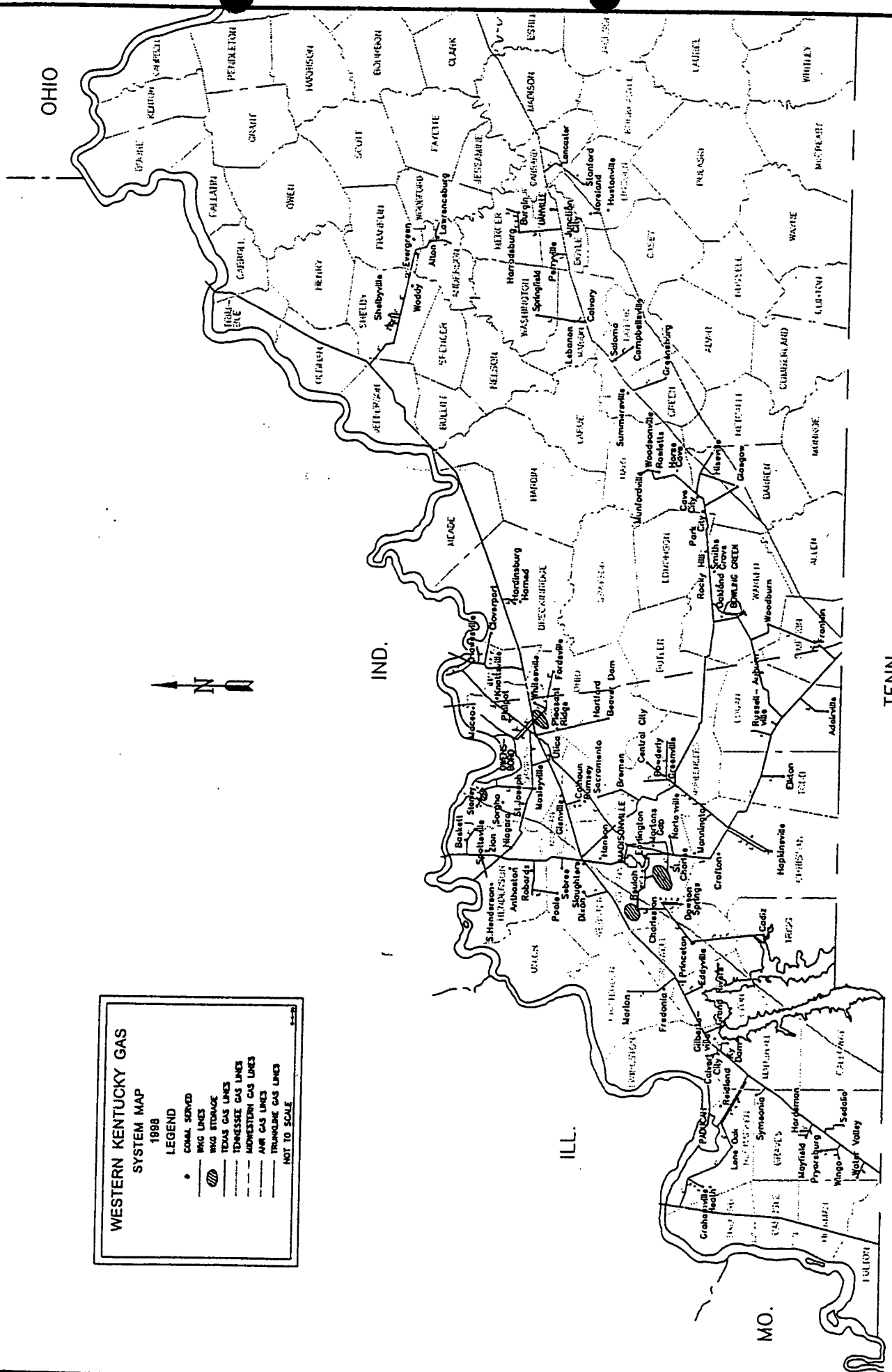
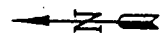
Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS SYSTEM MAP
1988

LEGEND

- COMM. SERVED
- ◉ WNG STORAGE
- TEXAS GAS LINES
- TENNESSEE GAS LINES
- MIDWESTERN GAS LINES
- ANR GAS LINES
- TRANSLINE GAS LINES

NOT TO SCALE



OHIO

IND.

TENN.

ILL.

MO.

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Seventy-seventh SHEET No. 4

Cancelling

Seventy-sixth SHEET No. 4

WESTERN KENTUCKY GAS COMPANY

Current Rate Summary

Case No. 99-070

Firm Service

Base Charge:

Residential	-	\$ 7.50 per meter per month	(I)
Non-Residential	-	20.00 per meter per month	(T,I)
Carriage (T-4)	-	220.00 per delivery point per month	(I)
Transportation Administration Fee	-	50.00 per customer per meter	(I)

<u>Rate per Mcf²</u>		<u>Sales (G-1)</u>	<u>Transport (T-2)</u>	<u>Carriage (T-4)</u>	
First 300 ¹	Mcf	@ \$4.6455 per Mcf	@ \$1.9086 per Mcf	@ \$1.1900 per Mcf	(I,I,I)
Next 14,700 ¹	Mcf	@ 4.1145 per Mcf	@ 1.3776 per Mcf	@ 0.6590 per Mcf	(I,I,I)
Over 15,000	Mcf	@ 3.8855 per Mcf	@ 1.1486 per Mcf	@ 0.4300 per Mcf	(I,I,I)

High Load Factor Firm Service

HLF demand charge/Mcf @ \$4.2945 @ \$4.2945 per Mcf of daily Contract Demand

<u>Rate per Mcf²</u>					
First 300 ¹	Mcf	@ \$4.0888 per Mcf	@ \$1.3519 per Mcf		(T)
Next 14,700 ¹	Mcf	@ 3.5578 per Mcf	@ 0.8209 per Mcf		(I,I)
Over 15,000	Mcf	@ 3.3288 per Mcf	@ 0.5919 per Mcf		(I,I)

Interruptible Service

Base Charge	-	\$220.00 per delivery point per month	(I)
Transportation Administration Fee	-	50.00 per customer per meter	(I)

<u>Rate per Mcf²</u>		<u>Sales (G-2)</u>	<u>Transport (T-2)</u>	<u>Carriage (T-3)</u>	
First 15,000 ¹	Mcf	@ \$3.4590 per Mcf	@ \$0.7221 per Mcf	@ \$0.5300 per Mcf	(I,I,I)
Over 15,000	Mcf	@ 3.2881 per Mcf	@ 0.5512 per Mcf	@ 0.3591 per Mcf	(I,I,I)

1 All gas consumed by the customer (sales, transportation, and carriage; firm, high load factor, and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

2 DSM, GRI and MLR Riders may also apply, where applicable. (N)

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FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Seventy-seventh SHEET No. 5

Cancelling

Seventy-sixth SHEET No. 5

WESTERN KENTUCKY GAS COMPANY

Current Gas Cost Adjustments

Case No. 99-070

Applicable

For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2). (T)

Gas Charge = GCA (D)

$$GCA = EGC + CF + RF + PBRRF$$

<u>Gas Cost Adjustment Components</u>	<u>G-1</u>	<u>HLF</u> <u>G-1</u>	<u>G-2</u>	
EGC (Expected Gas Cost Component)	\$3.6999	\$3.1432	\$3.1432	(N)
CF (Correction Factor)	(0.2239)	(0.2239)	(0.2239)	
RF (Refund Adjustment)	(0.0452)	(0.0452)	(0.0150)	
PBRRF (Performance Based Rate Recovery Factor)	<u>0.0247</u>	<u>0.0247</u>	<u>0.0247</u>	
GCA (Gas Cost Adjustment)	<u>\$3.4555</u>	<u>\$2.8988</u>	<u>\$2.9290</u>	(N)

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FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Seventy-seventh SHEET No. 6

Cancelling

Seventy-sixth SHEET No. 6

WESTERN KENTUCKY GAS COMPANY

Current Transportation and Carriage

Case No. 99-070

The General Transportation Rate T-2 and Carriage Service (Rates T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage: 1.9%

			<u>Distribution Charge</u>		<u>Non Commodity</u>		<u>Transportation Charge</u>	
Transportation Service (T-2)¹								
a) Firm Service								
First 300 ²	Mcf	@	\$1.1900	+	\$0.7186	=	\$1.9086 per Mcf	(I)
Next 14,700 ²	Mcf	@	0.6590	+	0.7186	=	1.3776 per Mcf	(I)
Over 15,000 ²	Mcf	@	0.4300	+	0.7186	=	1.1486 per Mcf	(I)
b) High Load Factor Firm Service (HLF)								
Demand		@	\$0.0000	+	4.2945	=	\$4.2945 per Mcf of daily contract demand	
First 300 ²	Mcf	@	\$1.1900	+	\$0.1619	=	\$1.3519 per Mcf	(I)
Next 14,700 ²	Mcf	@	0.6590	+	0.1619	=	0.8209 per Mcf	(I)
Over 15,000	Mcf	@	0.4300	+	0.1619	=	0.5919 per Mcf	(I)
c) Interruptible Service								
First 15,000 ²	Mcf	@	\$0.5300	+	\$0.1921	=	\$0.7221 per Mcf	(I)
All Over 15,000	Mcf	@	0.3591	+	0.1921	=	0.5512 per Mcf	(I)
Carriage Service³								
a) Firm Service (T-4)								
First 300 ²	Mcf	@	\$1.1900	+	\$0.0000	=	\$1.1900 per Mcf	(I)
Next 14,700 ²	Mcf	@	0.6590	+	0.0000	=	0.6590 per Mcf	(I)
Over 15,000 ²	Mcf	@	0.4300	+	0.0000	=	0.4300 per Mcf	(I)
b) Interruptible Service (T-3)								
First 15,000 ²	Mcf	@	\$0.5300	+	\$0.0000	=	\$0.5300 per Mcf	(I)
All Over 15,000	Mcf	@	0.3591	+	0.0000	=	0.3591 per Mcf	(I)

¹ Includes standby sales service under corresponding sales rates. GRI Rider may also apply. (T)

² All gas consumed by the customer (Sales and transportation; firm, high load factor, interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

³ Excludes standby sales service.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service

Rate G-1

1. Applicable

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. Availability of Service

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to reader service is assured by the supplier(s) of natural gas to the Company.

3. Net Monthly Rate

- a) Base Charge
\$ 7.50 per meter for residential service (I)
\$20.00 per meter for non-residential service (I)
(T)
- b) Distribution Charge
First¹ 300 Mcf @ \$1.1900 per 1,000 cubic feet (I)
Next¹ 14,700 Mcf @ 0.6590 per 1,000 cubic feet (I)
Over 15,000 Mcf @ 0.4300 per 1,000 cubic feet (I)
(N)
- c) Weather Normalization Adjustment, referenced on Sheet No. 26. (T)
- d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 27. (N)
- e) Margin Loss Recovery Rider, referenced on Sheet No. 29L. (N)
- f) Demand Side Management Cost Recovery Mechanism, referenced on Sheet No. 30a. (N)
- g) Gas Research Institute R&D Rider, referenced on Sheet No. 30d. (N)

¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service

Rate G-1

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Distribution Charge, the Gas Cost Adjustment (GCA) Rider, and other riders applicable by class of service. (T)

5. Minimum Monthly Bill

The Base Charge plus any High Load Factor (HLF) demand charge, if applicable. (T,D)

6. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service

Rate G-1

7. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for services rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

8. Rules and Regulations

Service furnished under this schedule is subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

(T)

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ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

1. Applicable

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. Availability of Service

- a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from the existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier.
- b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgement, requires and justifies such combination service.
- c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.

3. Delivery Volumes

- a) The volume of gas to be sold and purchases under this rate schedule shall be set forth in a written contract, specifying a maximum daily interruptible sales service volume and shall be subject to revision in accordance with the Company's approved curtailment plan.

(T,N)

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WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

b) High Priority Service

The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.

c) Interruptible Service

The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.

d) Revision of Delivery Volumes

The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

a) Base Charge: \$220.00 per delivery point per month (T)
Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge

b) Distribution Charge: (T)

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First 15,000 Mcf	\$0.5300 per 1,000 cubic feet
Over 15,000 Mcf	0.3591 per 1,000 cubic feet

- c) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 26.
- d) Margin Loss Recovery Rider, referenced on Sheet No. 29L.
- e) Demand Side Management Cost Recovery Mechanism, referenced on Sheet No. 30a.
- f) Gas Research Institute R&D Rider, referenced on Sheet No. 30d.

(I)
(I)
(N)
(D)
(N)
(N)

¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED:

EFFECTIVE:

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

5. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

6. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

(D)

(T)

(D)

(N)

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

7. Curtailement

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailement Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Penalty for Unauthorized Overruns

- a) In the event a customer fails in part or in whole to comply with a Company Curtailement Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailement Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.
- b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailement Order.
- c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

(D)
(T)

(C)

(N)

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Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

9. Special Provisions

(T)

- a) A written contract with a minimum term of one year shall be required.
- b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts thereunder.
- c) No gas delivered under this rate schedule and applicable contract shall be available for resale.

10. Late Payment Charge

(T)

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

1. Applicable

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. Availability of Service

Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the Company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.

3. Net Monthly Rate

a) Base Charge:

LVS-1 Service	\$ 20.00 per Meter
LVS-2 Service	220.00 per Meter
Combined Service	220.00 per Meter

b) Distribution Charge for LVS-1 Service

First ¹	300 Mcf @	\$1.1900 per Mcf
Next ¹	14,700 Mcf @	0.6590 per Mcf
Over	15,000 Mcf @	0.4300 per Mcf

c) Distribution Charge for LVS-2 Service

First ¹	15,000 Mcf @	\$0.5300 per Mcf
Over	15,000 Mcf @	0.3591 per Mcf

¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

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(I)
(I)
(I)
(T)
(I)
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(T)
(I)
(I)

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales	
Rates LVS-1 (High Priority), LVS-2 (Low Priority)	
d)	The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
e)	The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.
f)	The True-Up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.
g)	Notice of the Weighted Average Commodity Gas Cost and True-Up Adjustment will be filed with the Commission prior to billing.
h)	Margin Loss Recovery Rider, referenced on Sheet No. 29L.
4.	<u>Net Monthly Bill</u>
	The Net Monthly Bill shall be equal to the sum of the Base Charge, the High Load Factor demand charge, the Distribution Charge, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-Up Adjustment.
5.	<u>Minimum Monthly Bill</u>
	The Base Charge and High Load Factor demand charge, if applicable.

(N)

(T)

(T,D)

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WESTERN KENTUCKY GAS COMPANY

Large Volume Sales	
Rates LVS-1 (High Priority), LVS-2 (Low Priority)	
<p>6. <u>Standby or Auxiliary Equipment and Fuel</u></p> <p>It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.</p> <p>7. <u>Alternative Fuel Responsive Flex Provision (LVS-2 Service Only)</u></p> <p>Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable distribution charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.</p> <p>Pursuant to this Section, the Company may flex the applicable Distribution Charge to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component and weighted average commodity gas cost of the customer's otherwise applicable rate.</p> <p>The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.</p>	<p>(D)</p> <p>(T)</p> <p>(T)</p>

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WESTERN KENTUCKY GAS COMPANY

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

8. Curtailment

(N)

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

9. Penalty for Unauthorized Overruns

(N)

- a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.
- b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.
- c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

10. Service Agreement

(D)

The Company will require a written contract for a minimum term of twelve months. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting service of equal or higher priority customers in the area.

A customer with an unexpired contract for other services may subscribe to LVS service by contract amendment provided the contract, as amended, has a remaining term of at least twelve months.

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Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis. The priority of contract volumes shall be subject to revision in accordance with the Company's approved curtailment plan.

The contract volumes (or service mix) shall be subject to revision by the Company as appropriate so as to coincide with the customer's normal operating conditions and actual load with consideration given to any reasonably anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

11. Late Payment Charge

(T)

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

12. Exit Fee

(T)

When service under this schedule is discontinued, the customer is responsible for (or entitled to) an exit fee (or refund) equal to the lagging true-up adjustments related to the customer's service period.

13. Rules and Regulations

(T)

Service furnished under this schedule and applicable contracts are subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

ISSUED:

EFFECTIVE:

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Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Weather Normalization Adjustment Rider

WNA

(N)

1. Applicable

Applicable to Rate G-1 Sales Service, excluding industrial class only.

The distribution charge per Mcf for gas service as set forth in G-1 Sales Service shall be adjusted by an amount hereinunder described as the Weather Normalization Adjustment (WNA). The WNA shall be applicable to Rate G-1 Sales Service, excluding Industrial Sales Service.

For a five year period commencing on November 1, 2000, the WNA shall apply to all residential, commercial and public authority bills based on meters read during the months of November through April. The WNA shall increase or decrease accordingly by month. The WNA will not be billed to reflect meters read during the months of May through October. Customer base loads and heating sensitivity factors will be determined by class and computed annually.

2. Computation of Weather Normalization Adjustment

The WNA shall be computed using the following formula:

$$WNA_i = R_i \frac{(HSF_i (NDD - ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where:

i = any rate schedule or billing classification within a rate schedule that contains more than one billing classification

WNA_i = Weather Normalization Adjustment Factor for the i th rate schedule or classification expressed as a rate per Mcf

R_i = weighted average rate (distribution charge) of temperature sensitive sales for the i th schedule or classification

HSF_i = heat sensitive factor for the i th schedule or classification

NDD = normal billing cycle heating degree days

ADD = actual billing cycle heating degree days

BL_i = base load for the i th schedule or classification

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment

Rider GCA

1. Applicable

Gas Tariffs in effect for the entire Service Area of the Company as designated in the particular tariff.

2. Gas Cost Adjustment (GCA)

The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) at least thirty (30) days prior to the beginning of each quarter. The quarterly GCA shall become effective in the months of February, May, August, and November. The GCA shall become effective for meter readings on and after the first day of the quarter. The Company may make out of time filings when warranted.

(T)

3. Determination of GCA

The amount computed under each of the rate schedules to which this GCA is applicable shall be increased or decreased at a rate per Mcf calculated for each billing quarter in accordance with the following formula as applicable to each rate class:

(T)

$$\text{GCA} = \text{EGC} + \text{CF} + \text{RF}$$

Where:

EGC – is the weighted average Expected Gas Cost per Mcf of gas supply which is reasonably expected to be experienced during the quarter the GCA will be applied for billings.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment

Rider GCA

EGC is composed of the following:

- 1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a commodity basis.
- 2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a non-commodity basis.
- 3) The cost of other gas sources for system supply (no-notice supply, Company storage, withdrawals, etc.).

Less

- 4) The cost of gas purchases expected to be injected into underground storage.
- 5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.
- 6) Projected recovery of non-commodity and commodity costs from LVS-1 and LVS-2 transactions.
- 7) The cost of Company-use volumes.
- 8) Projected recovery of non-commodity costs from High Load Factor (HLF) demand charges.

(D)

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment

Rider GCA

CF - is the Correction Factor per Mcf which compensates for the difference between the expected gas cost and the actual gas cost for prior periods.

The Company shall file an updated Correction Factor (CF) in its April and October GCA filings, to become effective in May and November respectively. The April filing shall update the CF for the six months ended January while the October filing shall update the CF for the six months ended July.¹

RF - is the sum of any Refund Factors filed in the current and three preceding quarterly filings. The current Refund Factor reflects refunds received from suppliers during the reporting period. The Refund Factor will be determined by dividing the refunds received plus estimated interest², by the annual sales used in the quarterly filing less transported volumes. After a refund factor has remained in effect for twelve months, the difference in the amount received and the amount refunded plus the accrued interest² will be rolled into the next refund calculation. The refund account will be operated independently of the CF and only added as a component to the GCA in order to obtain a net GCA. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.

¹ The April GCA filing effective May 2000 shall update the CF for the seven months ended January 2000 to account for the change in methodology ordered in Case No. 99-070.

² At a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less ½ or 1% to cover the costs of refunding as stated in the KPSC Order from Case No. 7157-KK. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve-Statistical Release.

4. High Load Factor (HLF) Option

Customer with daily contract demands for firm service of 240 Mcf or greater may elect to contract for High Load Factor (HLF) service and will be applicable to G-1, LVS-1, and T-2/G-1 services.

The HLF option provides for billing of the non-commodity costs in the EGC applicable only to firm service on the basis of daily contract demand rather than on a commodity basis.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Margin Loss Recovery Rider

MLR

(N)

1. Applicable

Applicable to tariff Sales Service Rates G-1, G-2, LVS-1 and LVS-2. This Margin Loss Recovery Rider is intended to authorize the Company to recover 50% of distribution charge losses that result from (1) discounts pursuant to the Alternate Fuel Responsive Flex Provision, (2) special contracts approved by the Public Service Commission of Kentucky, or (3) a customer's bypass of the Company's system.

2. Calculation of the Margin Loss Recovery Factor

The Margin Loss Recovery Factor will be calculated in accordance with the following formula:

$$MLR = \frac{(ML_f + ML_s + ML_b) \times .5}{S}$$

Where:

MLR is the Margin Loss Recovery Factor

ML_f is the sum of discounts pursuant to the Alternate Fuel Responsive Flex Provision, calculated by multiplying the discount below the customer's otherwise applicable distribution charge times the volumes delivered under the flex provision.

ML_s is the sum of discounts pursuant to special contracts implemented subsequent to Case 99-070, calculated by multiplying the discount below the customer's otherwise applicable distribution charge times the customer's volumes in the test year for Case 99-070 or the customer's current annual volumes (whichever is less).

ML_b is the sum of margin losses associated with customer bypass of the Company's system subsequent to Case 99-070, equaling the total margin attributable to the customer during the test year for Case 99-070.

S is the expected sales volumes as used in the Correcting Factor of the Gas Cost Adjustment Rider

Filing with the Public Service Commission of Kentucky

The MLR shall be filed every January and July, to become effective in February and August, respectively. The February filing shall update the MLR for the six months ended November period while the August filing shall update the MLR for the six months ended May period.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism

DSM

(N)

1. Applicable

Applicable to Rate G-1 Sales Service, residential class only.

The Distribution Charge under Residential Rate G-1 Sales Service, shall be increased or decreased for three annual periods beginning January 2000 by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula:

$$\text{DSMRC} = \text{DCRC} + \text{DBA}$$

Where:

DCRC = DSM Cost Recovery-Current. The DCRC shall include all projected costs for the next twelve-month period. These costs shall be limited to expected payments to program implementation contractors over that period, as well as any costs incurred by or on behalf of the DSM collaborative process. These costs would be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DCRC.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism

DSM

(N)

DBA = DSM Balance Adjustment. The DBA shall be calculated on a calendar year basis and be used to reconcile the difference between the amount of revenues actually billed through the DCRC and previous applications of the DBA, and the revenues which should have been billed.

The DBA for the upcoming twelve-month period shall be calculated as the sum of the balance adjustments for the DCRC and DBA. For the DCRC, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DCRC unit charge and the actual cost of the DSM Program during the same twelve-month period.

For the DBA, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DBA unit charge and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period. The balance adjustments plus interest shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DBA.

The Company will file modifications to the DSMRC on an annual basis at least two months prior to the beginning of the effective upcoming twelve-month period for billing. This annual filing shall include detailed calculations of the DCRC and the DBA, as well as data on the total cost of the DSM Program over the twelve-month period.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism	
DSM	
<u>DSM Cost Recovery Component (DSMRC):</u>	
DSM Cost Recovery – Current:	\$0.0155 per Mcf
DSM Balance Adjustment:	<u>\$0.0000 per Mcf</u>
DSMRC Residential Rate G-1	\$0.0155 per Mcf

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Gas Research Institute R & D Rider

GRI R & D Unit Charge (N)

Applicable:

This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Carriage Service.

GRI R&D Unit Charge:

The intent of the Gas Research Institute R&D Unit Charge is to maintain the Company's level of contribution per Mcf as of December 31, 1998. The Unit Charge will be billed according to the transition schedule outlined in the pipelines' tariff.

Rate Per Mcf

GRI R&D Unit Charge	\$0.0004
---------------------	----------

Note 1: The GRI R&D Unit Charge is a weighted average of the rates under the pipelines' transition schedules and applicable annual volumes.

Waiver Provision:

The GRI R&D Unit Charge may be reduced or waived for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission. Any such waiver shall not increase the GRI R&D Unit Charge to the remaining classifications of service or rate schedules without Commission approval.

Remittance of Funds:

All funds collected under this rider will be remitted to Gas Research Institute on a monthly basis. The amounts so remitted shall be reported to the Commission annually.

Reports to the Commission:

A statement setting forth the manner in which the funds remitted have been invested in research and development will be filed with the Commission annually.

Termination of this Rider:

Participation in the GRI R&D funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company by filing a notice of rescission with the Commission.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Transportation Service		(T)
Rate T-2		
1. <u>Applicable</u>		
Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).		
2. <u>Availability of Service</u>		
Available to any customer with an expected consumption of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.		
3. <u>Net Monthly Rate</u>		
In addition to any and all charges assessed by other parties, there will be applied:		
a) Transportation Administration Fee - \$50.00 per customer per month		
b) <u>Distribution Charge for High Priority Service</u>		
First	300 Mcf	@ \$ 1.1900 per Mcf
Next	14,700 Mcf	@ 0.6590 per Mcf
Over	15,000 Mcf	@ 0.4300 per Mcf
c) <u>Distribution Charge for Low Priority Service</u>		
First	15,000 Mcf	@ \$ 0.5300 per Mcf
Over	15,000 Mcf	@ 0.3591 per Mcf
d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.		
e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).		
All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.		

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Transportation Service

Rate T-2

4. Net Monthly Bill

The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Transportation Charge (Distribution Charge plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge under Rates G-1 and G-2.

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" – The Level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Transportation Service

(T)

Rate T-2

- b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 300 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

(T)

8. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.
- c) The Company will not be obligated to deliver a total supply of gas to the customer in excess if the customer's maximum contracted volumes.
- d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.
- e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Transportation Service

Rate T-2

(T)

9. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

(T)

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service		(T)												
Rate T-3		(T)												
<p>1. <u>Applicable</u></p> <p>Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.</p>														
<p>2. <u>Availability of Service</u></p> <p>a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.</p> <p>b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.</p>														
<p>3. <u>Net Monthly Rate</u></p> <p>In addition to any and all charges assessed by other parties, there will be applied:</p> <p>a) Base Charge - \$220.00 per delivery point</p> <p>b) Transportation Administration Fee - 50.00 per customer per month</p> <p>c) <u>Distribution Charge for Interruptible Service</u></p> <table style="margin-left: 20px; border: none;"> <tr> <td style="padding-right: 10px;">First</td> <td style="padding-right: 10px;">15,000 Mcf</td> <td style="padding-right: 10px;">-</td> <td style="padding-right: 10px;">@</td> <td>\$0.5300 per Mcf</td> <td style="vertical-align: top; padding-left: 10px;">(I)</td> </tr> <tr> <td>Over</td> <td>15,000 Mcf</td> <td></td> <td>@</td> <td>0.3591 per Mcf</td> <td style="vertical-align: top;">(I)</td> </tr> </table> <p>d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.</p> <p>e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).</p> <p>¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.</p>	First	15,000 Mcf	-	@	\$0.5300 per Mcf	(I)	Over	15,000 Mcf		@	0.3591 per Mcf	(I)		(T) (I) (R)
First	15,000 Mcf	-	@	\$0.5300 per Mcf	(I)									
Over	15,000 Mcf		@	0.3591 per Mcf	(I)									

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service		(T)
Rate T-3		(T)
4. <u>Net Monthly Bill</u>		
<p>The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)</p>		(T)
5. <u>Nominated Volume</u>		
<p>Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.</p>		

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service

(T)

Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

(N,T)

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service									
Rate T-3									
<p>b) "Cash out" Method</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left; padding-bottom: 5px;"><u>Imbalance volumes</u></th> <th style="text-align: left; padding-bottom: 5px;"><u>Cash-out Price</u></th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">First ¹ 5% of Mcf Customer</td> <td style="padding: 5px;">@ 100% of Index Price ²</td> </tr> <tr> <td style="padding: 5px;">Next ¹ 5% of Mcf Customer</td> <td style="padding: 5px;">@ 90% of Index Price ²</td> </tr> <tr> <td style="padding: 5px;">Over ¹ 10% of Mcf Customer</td> <td style="padding: 5px;">@ 80% of Index Price ²</td> </tr> </tbody> </table> <p>¹ Not to exceed the Imbalance volumes</p> <p>² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.</p>		<u>Imbalance volumes</u>	<u>Cash-out Price</u>	First ¹ 5% of Mcf Customer	@ 100% of Index Price ²	Next ¹ 5% of Mcf Customer	@ 90% of Index Price ²	Over ¹ 10% of Mcf Customer	@ 80% of Index Price ²
<u>Imbalance volumes</u>	<u>Cash-out Price</u>								
First ¹ 5% of Mcf Customer	@ 100% of Index Price ²								
Next ¹ 5% of Mcf Customer	@ 90% of Index Price ²								
Over ¹ 10% of Mcf Customer	@ 80% of Index Price ²								
<p>c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.</p>									
<p>d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.</p>									
<p>e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.</p>									

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service

Rate T-3

(T)

7. Curtailement

- a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.
- b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailement Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

(T)

(D)

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service	
Rate T-3	
<p>9. <u>Terms and Conditions</u></p> <ul style="list-style-type: none">a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff. <p>A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.</p>	<p>(T)</p>

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service

Rate T-3

(T)

- g) The customer will be solely responsible to correct, any imbalances it has caused on the applicable pipeline's system.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service	(T)
Rate T-3	
<p>11. <u>Alternative Fuel Responsive Flex Provisions</u></p> <p>Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.</p> <p>Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.</p> <p>The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.</p>	(T)

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

(T)

1. Applicable

Entire Service Area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.

2. Availability of Service

a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.

b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) Base Charge - \$220.00 per delivery point

(I)

b) Transportation Administration Fee - 50.00 per customer per month

(I)

c) Distribution Charge for Firm Service

First 300 Mcf @ \$1.1900 per Mcf

(T)

Next 14,700 Mcf @ 0.6590 per Mcf

(I)

Over 15,000 Mcf @ 0.4300 per Mcf

(I)

(I)

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charges, if applicable (Sheet No. 51).

All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

(T)

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - L\&U\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-1). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

ISSUED:

EFFECTIVE:

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

(T)

b) "Cash out" Method

Imbalance volumes

Cash-out Price

First ¹ 5% of Mcf Customer	@ 100% of Index Price ²
Next ¹ 5% of Mcf Customer	@ 90% of Index Price ²
Over ¹ 10% of Mcf Customer	@ 80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

- c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.
- d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the pipeline(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.
- e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

7. Curtailement

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailement Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Carriage Service Rate T-4. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Carriage Service Rate to the facilities of the Company. (T)
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.
- g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

11. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20
First Revised Sheet No. 49
Cancelling
Original Sheet No. 49

WESTERN KENTUCKY GAS COMPANY

Alternate Receipt Point Service

(N)

Rate T-5

1. Applicable

Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's Rate T-2 transportation or carriage service (Rate T-3 or Rate T-4) requirements.

2. Availability of Service

- a) Available, subject to restrictions noted below, to any customer utilizing transportation or carriage services, on an individual service at the same premise, who has purchased its own supply of natural gas and requests delivery to the Company at a receipt point other than the Company's interconnection with the pipeline, or supplier immediately upstream of customer's premises, or the receipt point designated as the primary receipt point in such customer's contract with the Company.
- b) The alternate receipt point through which service is requested must be physically accessible via the Company's existing pipeline system upstream of the delivery point to the customer's facilities.
- c) The Company shall determine the portions of its system to which access may be granted to a specific Alternate Receipt Point.
- d) Access to certain alternate receipt points may be limited or restricted altogether by the Company.
- e) Availability of service is contingent upon the Company's determination that such service is available through existing facilities.
- f) The Company may decline to initiate service to a customer under this tariff, if in the Company's judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, and in addition to the charges applicable to Customer associated with their Rate T-2 transportation or Rate T-4 carriage service requirements, the following supplemental administrative charge will be applied during months in which volumes are received and transported from the Alternate Receipt Point:

- a) Administrative Charge @ \$50.00 per month

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

First Revised Sheet No. 50

Cancelling

Original Sheet No. 50

WESTERN KENTUCKY GAS COMPANY

Alternate Receipt Point Service

Rate T-5

(N)

The administrative fee is waived if, during the month, the Alternate Receipt Point represents the only point of receipt utilized by the customer.

4. Imbalances

- a) Volumes delivered by the Company under the Alternate Receipt Point service may be subjected to imbalance restrictions additional to those specified in the transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs.
- b) Banking or Parking allowances for volumes delivered under the Alternate Receipt Point service may be limited or restricted altogether, at the Company's judgment.

5. Terms and Conditions

- a) Volumes under the Alternate Receipt Point service are received for redelivery by the Company on a strictly interruptible basis.
- b) The Company is not responsible for any costs incurred by the customer in its arrangement for gas supply or capacity to the Alternate Receipt Point.
- c) Specific details relating to volume, receipt point(s) and similar matters shall be covered by a separate written contract or amendment with the customer.
- d) Other than provisions referenced herein, or as more specifically set forth in the contract or amendment with the customer, all provisions of the customer's transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs shall apply.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Second Revised SHEET No. 51

Cancelling

First Revised SHEET No. 51

WESTERN KENTUCKY GAS COMPANY

Special Charges			
<u>Service</u>	<u>After Hours</u>	<u>Regular</u>	
Meter Set*	\$35.00	\$28.00	(N)
Turn-on*	25.00	20.00	(N,I)
Read	14.00	12.00	(N)
Reconnect Delinquent Service	40.00	34.00	(N,I)
Seasonal Charge	73.00	65.00	(N)
Special Meter Reading Charge	N/A	No Charge	
Meter Test Charge	N/A	20.00	
Returned Check Charge	N/A	23.00	(I)
Late Payment Charge (Rate G-1 only)		5%	(N)
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment			
- Class 1 EFM equipment (less than \$7,500, including installation costs)		105.00 per mo.	
- Class 2 EFM equipment (more than \$7,500, including installation costs)		245.00 per mo.	(N)
* Waived for qualified low income applicants ("LIHEAP participants")			

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

4. Billings

a) The following is an example of the monthly bills sent to the Company's residential customers:

WESTERN KENTUCKY GAS A DIVISION OF ATMOS ENERGY CORPORATION		Direct Billing & Customer Service Inquiries to WESTERN KY GAS 1-800-954-4321 (TOLL FREE) EMERGENCY TELEPHONE 1-800-432-8429 (TOLL FREE)	
BILL DATE: 09/07/99 SERVICE ADDRESS: 123 Fourth Street, Owensboro, KY		CUSTOMER NO. 000012345	
DATE OF SERVICE FROM TO 10/01/99 11/01/99		METER READING PRESENT PREVIOUS 564 564	
USAGE IN CCF (24 HRS. USE @ 700 CCF) 0 EST		RATE CODE 42WR PRESSURE FACTOR	
Western Kentucky Gas is working hard to improve the services we provide to you, our valued customer. Please see the enclosed insert "The Basics of the New Bill", which explains the new bill design and how it provides you with the information that you need in an easy to understand format. Call us toll free, 24 hours a day, 7 days a week. Thank you for choosing natural gas, the most comfortable and efficient energy available.		PREVIOUS BALANCE 00.00 PAYMENT RECEIVED 00.00 CURRENT GAS CHARGE TOTAL 00.00 CUSTOMER CHARGE 00.00 DISTRIBUTION CHARGE @ .00000/CCF 00.00 GAS COST CHARGE @ .00000/CCF 00.00 SCHOOL FEE @ .00000 00.00 FRANCHISE FEE @ .00000/CCF 00.00 ADJUSTMENTS 00.00 SERVICE CHARGE 00.00 TAX TOTAL 00.00 STATE TAX 00.00 CURRENT CHARGES 00.00 TOTAL AMOUNT DUE 00.00	
IF BILL IS NOT PAID BY DUE DATE, A PENALTY (IF APPLICABLE) WILL APPEAR ON YOUR NEXT BILL		COMPARATIVE USAGE: Monthly Usage CCF Billing Days This Year 0 31 Last Year 0 31	
IN ORDER TO SPEED PAYMENT PROCESSING, PLEASE WRITE your account number on your check/money order & do not fold or staple payment to remittance stub. When paying in person, present both parts of bill.		ACCOUNT NUMBER 43-0006123455-0123455-7	
WESTERN KENTUCKY GAS PO BOX 15448 AMARILLO, TX 79105		PRIOR AMOUNT DUE \$ 00.00 TOTAL AMOUNT DUE \$ 00.00 DUE DATE 11/13/99	
John Q. Customer 123 Fourth Street Owensboro, KY 42301		WESTERN KENTUCKY GAS PO BOX 660634 DALLAS, TX 75266-0634	

- Class of Service (Please See Sheet No. 7)
 - Present and Last Preceding Meter Reading
 - Date of Present Reading
 - Number of Units Consumed
 - Meter Constant If Any - Not Applicable to Residential Service
 - Net Amount for Service Rendered
 - Any Adjustments
 - Gross Amount of Bill - Not Applicable to Residential Service
 - Date After Which a Penalty May Apply
 - Indicates an Estimated or Calculated Bill
- NOTE: Large Volume Commercial and Industrial Billing Will Display the Above Information, but May be Presented in a Different Format.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

- e) The Company will issue to every customer from whom a deposit is collected a receipt of deposit. The receipt will show the name of the customer, location of the service or customer, account number, date, and amount of deposit. If the deposit amount changes, the Company will issue a new receipt of deposit to the customer.
- f) Except for Winter Hardship Reconnections (as provided by Section 12 of these Rules and Regulations) customer service may be refused or discontinued if payment of requested deposit is not made.
- g) Interest will accrue on all deposits at a rate prescribed by law, beginning on the date of deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the Company will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposits, the payment or credit shall be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

When a deposit is required from a customer it will be held for twelve (12) months, or until service is discontinued, unless one of the following has occurred: (a) service has been terminated for non-payment of services or (b) the customer has been late on two (2) or more payments in the last twelve (12) months.

6. Special Charges

The Company may make special nonrecurring charges, approved by the Commission, to recover customer-specific costs incurred to benefit specific customers. Listed below are the special charges included in the Company's tariff and a short description of the related service performed or action taken by the Company. See the Special Charges, Sheet No. 51 for the amount of the charge.

- a) Meter Set. A meter set charge may be assessed for a new service or re-set, or temporary service. (N)
- b) Turn On. A turn on charge may be assessed for connecting service which has been terminated or idle at a given premises for reasons other than nonpayment of bills or violation of the Company or Commission regulations. (T)

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

First Revised SHEET No. 66

Cancelling

Original SHEET No. 66

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

- c) Read. A read charge may be assessed for the establishment of new service where only a meter read is required. (N)
- d) Reconnect Delinquent Service. A reconnect delinquent service charge may be assessed to reconnect a service which has been terminated for nonpayment of bills or violation of the Company or Commission regulations. Customers qualifying for service reconnection under Section 12 of these Rules and Regulations shall be exempt from reconnect charges. (T)
- e) Seasonal Charge. A seasonal charge may be assessed when the customer's service has been disconnected at his request and at any time subsequently within (12) months is reconnected at the same or any other premises. (N)
- f) After Hours Charge. An additional charge shall be applied to any special service activity, including reconnects for delinquent service, initiated at the customer's request outside normal business hours such as at night, on weekends or holidays. The Company shall advise the customer of the applicable after hours charge upon initiation of the service request and offer the customer the alternative to perform the requested activity during normal business hours, including reconnects for delinquent service, as a means to avoid the after hours charge. (N)
- g) Special Meter Reading Charge. This charge may be assessed when a customer requests that a meter be reread and the second reading shows that the original reading was correct. No charge shall be assessed if the original reading was incorrect. This charge may also be assessed when a customer who reads his own meter fails to read the meter for three (3) consecutive months, and it is necessary for a Company representative to make a trip to read the meter.
- (No such charge may be assessed until the amount of the charge is approved or otherwise accepted by the Commission).
- h) Meter Resetting Charge. A charge may be assessed for resetting a meter if the meter has been removed at the customer's request.
- i) Meter Test Charge. This charge may be assessed if a customer requests the meter be tested pursuant to Section 13 and 807 KAR 5:006, section 18, and the tests show the meter is not more than two (2) percent fast. No charge shall be made if the test shows the meter is more than two (2) percent fast.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

- j) **Returned Check Charge.** A returned check charge may be assessed if a check accepted for payment of a Company bill is not honored by the customer's financial institution.
- k) **Late Payment Charge.** A late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received will first be applied to the bill for services rendered. Additional penalty charges will not be assessed on unpaid penalty charges.

7. Customer Complaints to the Company

Upon complaint to the Company by a customer at the Company's office, by telephone, or in writing, the Company will make a prompt and complete investigation and advise the complainant of its findings. If a written complaint or a complaint made in person at the Company's office is not resolved, the Company will provide written notice to the complainant of his right to file a complaint with the Commission, and will provide him with the address and telephone number of the Commission. If a telephone complaint is not resolved, the Company will provide at least oral notice to the complainant of his right to file a complaint with the Commission and the address and telephone number of the Commission.

8. Bill Adjustments

- a) If upon periodic test, request test, or complaint test, a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. The test will be made in accordance with Commission regulations applicable to the type of meter involved.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

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- e) The customer's piping extending from the outlet of the meter shall be installed and maintained by the customer at his expense.
- f) The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.
- g) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.

19. Owners Consent

In case the customer is not the owner of the premises where service is to be provided, it will be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in or on said premises all such piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.

The Company will not require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. The cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned according to Section 28 in these Rules and Regulations.

20. Customer's Equipment and Installation

- a) The customer shall furnish, install and maintain at his expense the necessary customer's service line extending from the Company's service connection at the curb or property line to the building or place of utilization of the gas.
- b) The installation of the customer's service line shall be made in accordance with the requirement of the constituted authorities and the Company's specifications covering locations, installation, kind and size of pipe, type of pipe coating or wrapping, and method of connecting the joints of pipe. The location shall be the point of easiest access to the Company from its facilities and the Company shall be consulted and its approval obtained before the installation is made.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

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27. Point of Delivery of Gas

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection in to the customer's service line or pipe or at the outlet of the meter, whichever is nearest the delivery main of the Company.

28. Distribution Main Extensions

- a) The Company will extend an existing distribution main up to one hundred (100) feet for each single customer provided the following criteria is met:
- 1) The existing main is of sufficient capacity to properly supply the additional customer(s);
 - 2) Provided that the customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,
 - 3) Provided the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.
- b) Whenever an extension exceeds one hundred (100) feet per customer, the Company will enter into an agreement with the customer(s) or subscriber(s). The agreement will provide for the extension on a cost per foot basis with the additional amount to be deposited with the Company by the customer(s) or subscriber(s). The agreement will contain provisions for a proportionate and equitable refund in the event other customers are connected to the extension within a ten (10) year period. Refunds shall be made only after the customer(s) has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension, to specify the pipe size and location of the extension, and to construct the extension in accordance with its standard practices. Title to all extensions covered by agreements shall be and remain in the Company and in no case shall the amount of any refunds exceed the original deposit. Any further or lateral extension shall be treated as a new and separate extension.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

33. Curtailment Order

In cases of impairment of gas supply or distribution system capacity, or partial or total interruptions and when it appears that the Company is, or will be, unable to supply the requirements of all of its customers in any system or segment thereof, the Company shall curtail gas service to its customers in the manner set forth below. (T)

a) **Definitions:**

Residential – Service to customers for residential purposes including housing complexes and apartments.

Commercial – Service to customers engaged primarily in the sale of goods or services including institutions and local and federal agencies for uses other than those involving manufacturing.

Industrial – Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power for sale.

ISSUED:

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ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C)

b) **Priorities of Curtailment:**

Sales Service

The Company may curtail or discontinue sales service in whole or in part on a daily, monthly or seasonal basis in any purchase zone in accordance with the following priorities, starting with Priority 8 and proceeding in descending numerical order.

High Priority

Priority 1. Residential and services essential to the public health where no alternate fuel exists (Rate G-1)

Priority 2. Small commercials less than 50 Mcf per day (Rate G-1).

Priority 3. Large commercials over 50 Mcf per day not included under lower priorities (Rates G-1, LVS-1)

Priority 4. Industrials served under Rate G-1 or LVS-1.

Low Priority

Priority 5. Customers served under Rates G-2 or LVS-2 other than boilers included in Priority 6.

Priority 6. Boiler loads shall be curtailed in the following order (Rates G-2 or LVS-2).

A – Boilers over 3,000 Mcf per day.

B – Boilers between 1,500 Mcf and 3,000 Mcf per day.

C – Boilers between 300 Mcf and 1,500 Mcf per day.

Priority 7. Imbalance sales service under Rate T-3 and Rate T-4.

Priority 8. Flex sales transactions.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(T)

c) Penalty for Unauthorized Overruns

In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.

In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

d) Discontinuance of Service

The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.

ISSUED:

EFFECTIVE:

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-070 DATED DECEMBER 21, 1999

THE FOLLOWING FINANCIAL AND STATISTICAL DATA IS TO BE INCLUDED IN WESTERN KENTUCKY GAS COMPANY'S ANNUAL REPORT TO THE COMMISSION ON THE WEATHER NORMALIZATION ADJUSTMENT (WNA) PILOT PROGRAM

1. NUMBER OF WNA CUSTOMERS (BY CLASS)
2. AMOUNT OF WNA REVENUE (BY CLASS)
3. MCF VOLUME ADJUSTMENT RESULTING FROM WNA (BY CLASS)
4. AVERAGE WNA REVENUE PER CUSTOMER (BY CLASS)
5. AMOUNT OF WNA REVENUE (TOTAL COMPANY)
6. WNA FACTOR FOR EACH MONTH OF THE HEATING SEASON
7. MCF VOLUME ADJUSTMENT RESULTING FROM WNA (TOTAL COMPANY)
8. WNA IMPACT ON EARNINGS FOR REPORTING PERIOD
9. ACTUAL NUMBER OF HEATING DEGREE DAYS
10. NORMAL NUMBER OF HEATING DEGREE DAYS
11. VARIATION OF ACTUAL TEMPERATURES FROM NORMAL TEMPERATURES (%)
12. NUMBER OF CUSTOMER INQUIRIES ABOUT WNA PROGRAM
13. NUMBER OF CUSTOMER COMPLAINTS ABOUT WNA PROGRAM

CASE

NUMBER:

99 - 070

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

FILED

JUN 23 1999

PUBLIC SERVICE
COMMISSION

In the Matter of:

The Application of Western)
Kentucky Gas Company) Case No. 99-070
for an Adjustment of Rates)

MOTION FOR RECONSIDERATION

Western Kentucky Gas Company, by counsel, moves the Commission to reconsider its order of June 16, 1999. The order if it is allowed to stand will result in an unnecessary and unwarranted delay of Western's application based on two findings that are truly minor in scope and relatively insignificant in relation to the information provided.

The application was deemed deficient (1) because a schedule for Filing Requirement 10(9)(h)4 was not specifically provided and (2) no explanation other than "N/A" was provided for the FERC audit report required by FR 10(9)i. With respect to FR 10(9)(h)4, Western's filing referred to FR 10(9)(h)1 as a substitute. Western believed that the referenced information was adequate and in conformity to the regulation. A difference in interpretation of the regulation, rather than the omission of the item, should not be the basis for rejecting the application. Nonetheless, a specific schedule for FR 10(9)(h)4 providing the information requested in the

order is provided.

The "N/A" provided for FR 10(9)i simply means inapplicable. No FERC audit can be submitted because Western is not subject to audits under FERC regulations and is not subject to FERC jurisdiction. It was inconceivable to Western at the time of preparation of the application that the Commission would be unaware of this fundamental fact or that it requires an explanation. Atmos Energy Corporation is not subject to FERC jurisdiction either. Again, the item required by the regulations was addressed, although Western's assumption about that item was contrary to the staff's. Nevertheless, a specific statement to that effect is provided. Neither of these "deficiencies" warrants the delay which results from having to submit new tariffs reflecting new issuance and effective dates. Neither of these two "deficiencies" hindered the review of the application and neither individually or collectively justifies a delay in the proceeding or the resubmission of tariffs reflecting new issuance and effective dates.

In support of its findings, the order also addresses the issue of fiscal year versus calendar year data as justification for the deficiency of Western's filing pursuant to FR 10(9)(h)4. The order does not fault Western's submission of fiscal year information, except as a justification for determining the deficiency of FR 10(9)(h)4 alone. In Filing Requirement 10(11)a-c, vol 10, tab 16, Western states that it operates on a fiscal year basis, which provides even more information than the regulations require. All tax returns, financial statements, budgets and reports are based on an October to September period. Additionally, Western's parent company, Atmos Energy Corporation, also uses the same fiscal year. See Filing Requirement 10(9)j-m, vol. 4, tabs 1-4.

All information submitted in the application is predicated on and adjusted to the actual and budgeted performance of that fiscal year data. To use calendar year information would

require that all reports, budgets and other financial statements be reformulated. Apart from the vast amount of time and expense such an undertaking requires, it would make a review of Western's operations very difficult. For example, all management reports are based on the fiscal year. They would be of little use in analyzing calendar year information. Comparisons of the actual budget (fiscal year) to a calendar year reformulation would be difficult and probably unenlightening.

Throughout the application, references are made to the fiscal year data and their relationship to budgets and actual company performance. Those relationships would be skewed using calendar year information. In short, the fiscal year information provides the Commission with the most accurate information about the Company and the most reliable source of comparative information to evaluate its operations. Calendar year information will provide no additional financial data, no better comparative data and no better analytical basis for the Commission to review the application.

Western believes that the justification given, i.e. that it uses a fiscal year for all of its financial reporting requirements and that such information is the best available and most efficient to provide to the Commission is not only an adequate justification, it is the only justification needed. In fact, the use of fiscal year information provides more information than calendar based data would as stated in the justification provided in FR 10(11).

The order denying the application does not say that the fiscal year information is inadequate, incomplete, unusable or otherwise not suitable for use. The order only says that its use was not adequately justified. Therefore, being acceptable in and of itself, if justified, the only issue to be resolved is the degree of justification. The justification given is the one believed

by Western to be the most appropriate and reasonable one - Western uses a fiscal year for all of its financial reporting, planning and analysis. There is no more accurate, detailed, comprehensive financial reporting method to provide the Commission with all of the information required of the regulations. Perhaps this was too obvious an explanation and more detail should have been included. However, regardless of the detail that might have been provided, the essence of the explanation is the same. The only difference is the amount of, not the substance of, the explanation.

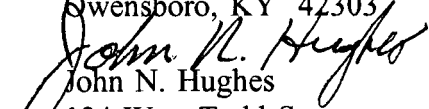
Western requests that the Commission accept its application as supplemented with the two attached items. Further, Western requests that the notice and effective date originally proposed be reinstated so that the case can proceed without refiling and republication of the public notices. The cost to republish the public notices is approximately \$24,000. Should the Commission affirm its order, new tariffs with an effective date of July 23, 1999, are attached. These are filed only provisionally and are intended to be effective only if the original effective date is not reinstated.

For these reasons, Western requests that the order of June 16, 1999, be modified (1) to allow for the use of the fiscal year financial data, (2) to find that the supplemental information conforms to the filing requirements, and (3) to reinstate the proposed effective date of the tariffs. If it would be of assistance to the Commission, Western requests that a conference with the staff and intervenors be scheduled to allow the opportunity to respond to any questions or concerns the staff may have about the use of the proffered financial data.

Submitted By:

Douglas Walther
Atmos Energy Corporation
P.O. Box 650205
Dallas, TX 75265

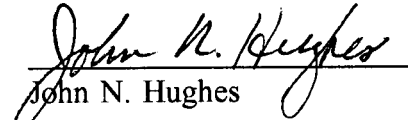
Mark R. Hutchinson
SHEFFER - HUTCHINSON -
KINNEY
115 E. Second St.
Owensboro, KY 42303


John N. Hughes
124 West Todd Street
Frankfort, KY 40601

Attorneys for Western
Kentucky Gas Company

Certification:

I certify that this motion was served on the Attorney General Rate Intervention Division, 1024 Capitol Center Drive, Frankfort, KY. 40601 by First Class Mail the 23rd day of June, 1999.


John N. Hughes

Western Kentucky Gas Company
Case No. 99-070

Forecasted Revenue Requirements
For the Test Year Twelve Months Ended December 31, 2000 & Four Forecasted Fiscal Years

FR 10(9)(h)4

Data: Base Period Forecasted Period
Type of Filing: Original Updated
Workpaper Reference No(s):

Page 1 of 1
Witness:

Line No.	Description	Test Period Supporting Schedule Reference	Forecast Supporting Schedule Reference	Test Period		FY 2000		FY 2001		FY 2002		FY 2003	
				Forecasted Revenue Requirement	Requirement	Forecasted Revenue Requirement	Requirement	Forecasted Revenue Requirement	Requirement	Forecasted Revenue Requirement	Requirement		
				\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1	Rate Base	B-1	FR10(9)(h)12	130,484		132,853	131,208	129,522	127,044				
2	Operating Income at Current Rates	C-1	FR10(9)(h)1	4,631		5,201	4,746	4,884	4,540				
3	Rate of Return at Current Rates (2 / 1)	J-1.1		3.55%		3.91%	3.62%	3.77%	3.57%				
4	Forecasted Required Rate of Return	J-1	FR10(9)(h)11	9.97%		9.95%	10.11%	10.32%	10.58%				
5	Required Operating Income (1 x 4)	C-1		13,009		13,220	13,267	13,363	13,446				
6	Operating Income Deficiency (5 - 2)	C-1		8,378		8,019	8,521	8,479	8,906				
7	Gross Revenue Conversion Factor	H	H	1.686137		1.686137	1.686137	1.686137	1.686137				
8	Revenue Deficiency (6 x 7)	C-1		14,128		13,522	14,369	14,298	15,018				
9	Operating Revenues at Current Rates	C-1	FR10(9)(h)1	120,503		120,558	120,999	121,768	122,454				
10	Revenue Required to Support Forecasted ROR (8 + 9)	C-1		134,631		134,080	135,368	136,066	137,472				

Note: Capital Structure for all forecasted years assumes cost of STD 6.10%, LTD 8.06%, & equity 12.25%.

Western Kentucky Gas Company
Case No. 99-070
Forecasted Test Period Filing Requirements
FR 10(9)(i)

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission or Federal Communications Commission audit reports;

Response:

Neither Western Kentucky Gas Company nor Atmos Energy Corporation is subject to Federal Energy Regulatory Commission regulation, nor are they subject to Federal Communications Commission regulation. Neither Western nor Atmos is required to submit a FERC Form 2 to the FERC. As a consequence, Western has received no audits or audit reports from the FERC or FCC. See Filing Requirement 10(9)(L) for the audit opinion of the Company's independent accounting firm in the Company's most recent annual report. A similar explanation by Western was provided and accepted in Case No. 95-010 in the testimony of Mr. David Bickerstaff pertaining to FR 10(6)(L) (historical test period).

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Fourth Revised SHEET No. 1

Cancelling

Third Revised SHEET No. 1

WESTERN KENTUCKY GAS COMPANY

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ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Fourth Revised SHEET No. 2

Cancelling

Third Revised SHEET No. 2

WESTERN KENTUCKY GAS COMPANY

Rate Book Index

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The following pages have been reserved for future use: 8-10, 14, 33, 39, 53-60

(T)

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

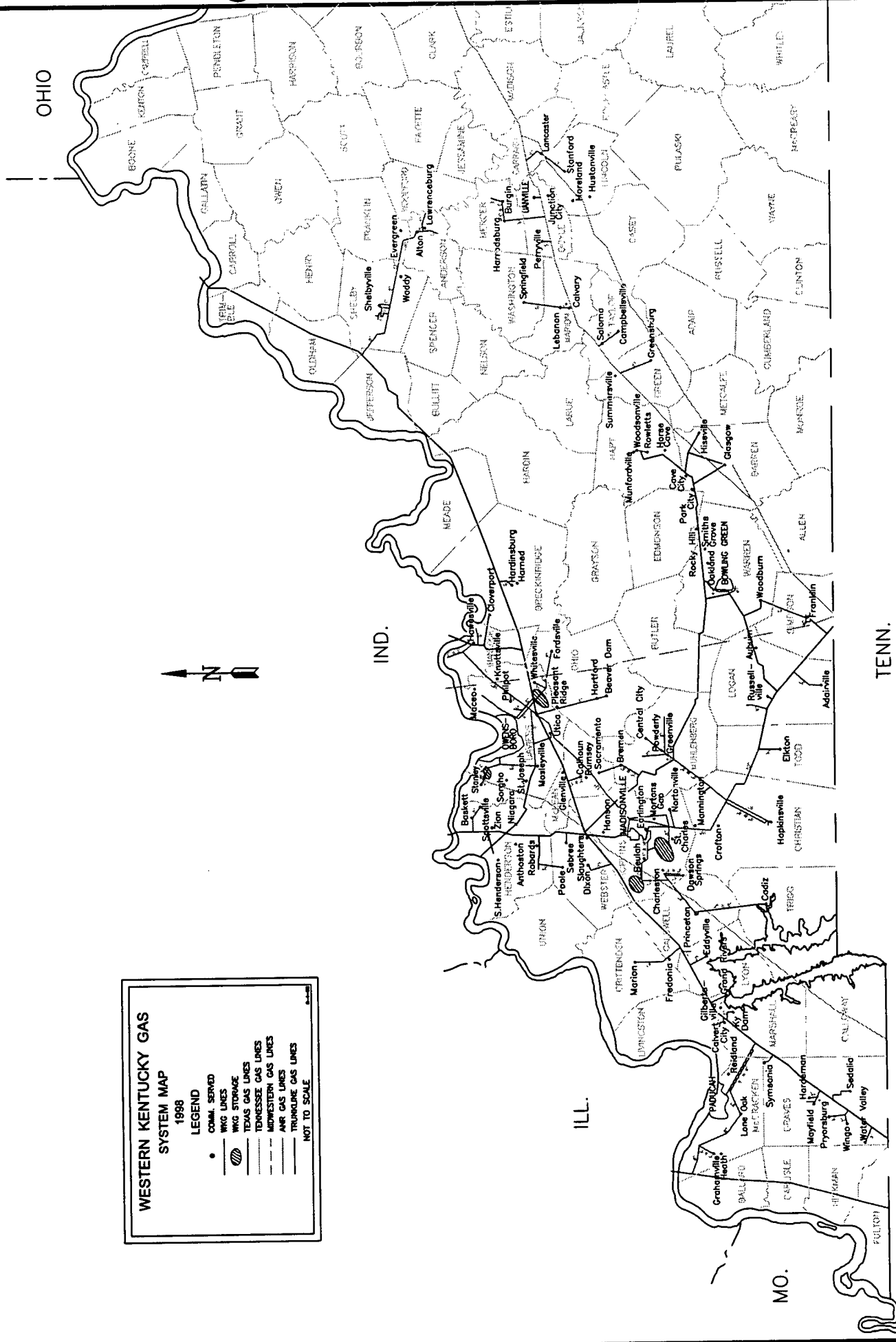
Towns and Communities in Service Area

The Service Area of the Company includes the following towns and their environs:

Adairville	Dennis	Hartford	Munfordsville	Sebree	
Aetnaville	Depoy	Hawesville	Niagara	Sedalia	(N)
Alton	Dermont	Heath	Nortonville	Shelby City	
Anthoston	Dixon	Hendron	Oak Ridge	Shelbyville	
Anton	Earlington	Herbert	Oakdale	Slaughters	(N)
Auburn	Eddyville	Hickory	Oakland	Smiths Grove	
Baskett	Elkton	Hill-n-dale	Oklahoma	Sorgho	
Beadlestown	Ellmitch	Hiseville	Owensboro	So. Henderson	(N)
Beaver Dam	Empire	Hopkinsville	Paducah	So. Highland	
Beda	Epley	Horse Cave	Park City	So. Union	
Beulah	Epperson	Hustonville	Perryville	Spottsville	
Boston	Evergreen	Junction City	Philpot	Springfield	
Bowling Green	Farmdale	Knottsville	Pleasant Hill	St. Charles	
Bremen	Fearsville	Lake City	Pleasant Ridge	St. Joseph	
Briartown	Feliciana	Lancaster	Plum Springs	Stanford	
Browns Valley	Finley	Lawrenceburg	Poole	Stanley	
Buck Creek	Fordsville	Lebanan	Powderly	Stringtown	
Buford	Franklin	Livia	Princeton	Summersville	
Burgin	Fredonia	Logantown	Pritchardsville	Sutherland	
Cadiz	Fruit Hill	Lone Oak	Pryorsburg	Symsonia	
Calhoun	Gilbertsville	Luzerne	Reidland	Thurston	
Calvert City	Gishton	Maceo	Reidville	Utica	
Calvary	Glasgow	Madisonville	Reynolds Sta.	Waddy	(N)
Campbellsville	Glenville	Mannington	Robards	Water Valley	
Carbondale	Grahamville	Marion	Rocky Hill	West Louisville	
Cave City	Grand Rivers	Masonville	Rome	Whitesville	
Central City	Greensberg	Mayfield	Rowletts	Wingo	
Charleston	Greenville	McGowan	Rumsey	Woodburn	
Cloverport	Habit	Memphis Junc.	Russellville	Woodlawn	
Crayne	Hanson	Midland	Sacramento	Woodsonville	
Crofton	Hardeman	Milledgeville	Salmons	Yelvington	
Danville	Hardinsburg	Moreland	Saloma	Zion	
Dawson Springs	Harned	Mortons Gap	Schochoh		
Deanfield	Harrodsburg	Mosleyville			

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999



WESTERN KENTUCKY GAS SYSTEM MAP
1998

LEGEND

- COMM. SERVED
- ◉ WKG STORAGE
- WKG LINES
- TEXAS GAS LINES
- TENNESSEE GAS LINES
- MIDWESTERN GAS LINES
- AME GAS LINES
- TRUNKLINE GAS LINES

NOT TO SCALE

OHIO

IND.

TENN.

ILL.

MO.

WESTERN KENTUCKY GAS COMPANY

Current Rate Summary

Case No. 99-070

Firm Service

Base Charge:

Residential	-	\$ 9.00 per meter per month	(I)
Commercial	-	24.00 per meter per month	(T,I)
Carriage (T-4)	-	250.00 per delivery point per month	(I)
Transportation Administration Fee	-	50.00 per customer per meter	(I)

<u>Rate per Mcf</u>			<u>Sales (G-1)</u>	<u>Transport (T-2)</u>	<u>Carriage (T-4)</u>	
First	300 ¹	Mcf	@ \$3.7045 per Mcf	@ \$1.9287 per Mcf	@ \$1.2000 per Mcf	(R,I,I)
Next	14,700 ¹	Mcf	@ 3.1991 per Mcf	@ 1.4233 per Mcf	@ 0.6946 per Mcf	(R,I,I)
Over	15,000	Mcf	@ 2.9344 per Mcf	@ 1.1586 per Mcf	@ 0.4299 per Mcf	(R,I,I)

High Load Factor Firm Service

HLF demand charge/Mcf	@ \$4.2809	@ \$4.2809 per Mcf of daily Contract Demand	
-----------------------	------------	--	--

<u>Rate per Mcf</u>						
First	300 ¹	Mcf	@ \$3.1496 per Mcf	@ \$1.3738 per Mcf		(R,I)
Next	14,700 ¹	Mcf	@ 2.6442 per Mcf	@ 0.8684 per Mcf		(R,I)
Over	15,000	Mcf	@ 2.3795 per Mcf	@ 0.6037 per Mcf		(R,I)

Interruptible Service

Base Charge	-	\$250.00 per delivery point per month	(I)
Transportation Administration Fee	-	50.00 per customer per meter	(I)

<u>Rate per Mcf</u>			<u>Sales (G-2)</u>	<u>Transport (T-2)</u>	<u>Carriage (T-4)</u>	
First	15,000 ¹	Mcf	@ \$2.5120 per Mcf	@ \$0.7362 per Mcf	@ \$0.5300 per Mcf	(R,I,I)
Over	15,000	Mcf	@ 2.3121 per Mcf	@ 0.5363 per Mcf	@ 0.3301 per Mcf	(R,R,R)

¹ All gas consumed by the customer (sales, transportation, and carriage; firm, high load factor, and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Current Rate Summary

Case No. 99-070

Applicable

For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2). (T)

Gas Charge = GCA (D)

$$GCA = EGC + CF + RF + PBRRF$$

<u>Gas Cost Adjustment Components</u>	<u>G-1</u>	<u>HLF G-1</u>	<u>G-2</u>	
EGC (Expected Gas Cost Component)	\$2.7334	\$2.1785	\$2.1785	(R)
CF (Correction Factor)	(0.1882)	(0.1882)	(0.1882)	
RF (Refund Adjustment)	(0.0654)	(0.0654)	(0.0330)	
PBRRF (Performance Based Rate Recovery Factor)	<u>0.0247</u>	<u>0.0247</u>	<u>0.0247</u>	
GCA (Gas Cost Adjustment)	<u>\$2.5045</u>	<u>\$1.9496</u>	<u>\$1.9820</u>	(R)

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Seventy-First SHEET No. 6

Cancelling

Seventieth SHEET No. 6

WESTERN KENTUCKY GAS COMPANY

Current Rate Summary

Case No. 99-070

The General Transportation Rate T-2 and Carriage Service (Rates T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage: 1.9%

			<u>Distribution Charge</u>		<u>Non Commodity</u>		<u>Transportation Charge</u>	
Transportation Service (T-2)¹								
a) Firm Service								
First 300 ²	Mcf	@	\$1.2000	+	\$0.7287	=	\$1.9287 per Mcf	(I)
Next 14,700 ²	Mcf	@	0.6946	+	0.7287	=	1.4233 per Mcf	(I)
Over 15,000 ²	Mcf	@	0.4299	+	0.7287	=	1.1586 per Mcf	(I)
b) High Load Factor Firm Service (HLF)								
Demand		@	\$0.0000	+	4.2809	=	\$4.2809 per Mcf of daily contract demand	
First 300 ²	Mcf	@	\$1.2000	+	\$0.1738	=	\$1.3738 per Mcf	(I)
Next 14,700 ²	Mcf	@	0.6946	+	0.1738	=	0.8684 per Mcf	(I)
Over 15,000	Mcf	@	0.4299	+	0.1738	=	0.6037 per Mcf	(I)
c) Interruptible Service								
First 15,000 ²	Mcf	@	\$0.5300	+	\$0.2062	=	\$0.7362 per Mcf	(I)
All Over 15,000	Mcf	@	0.3301	+	0.2062	=	0.5363 per Mcf	(R)
Carriage Service³								
a) Firm Service (T-4)								
First 300 ²	Mcf	@	\$1.2000	+	\$0.0000	=	\$1.2000 per Mcf	(I)
Next 14,700 ²	Mcf	@	0.6946	+	0.0000	=	0.6946 per Mcf	(I)
Over 15,000 ²	Mcf	@	0.4299	+	0.0000	=	0.4299 per Mcf	(I)
b) Interruptible Service (T-3)								
First 15,000 ²	Mcf	@	\$0.5300	+	\$0.0000	=	\$0.5300 per Mcf	(I)
All Over 15,000	Mcf	@	0.3301	+	0.0000	=	0.3301 per Mcf	(R)

¹ Includes standby sales service under corresponding sales rates.

² All gas consumed by the customer (sales and transportation; firm, high load factor, interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

³ Excludes standby sales service.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service

Rate G-1

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Distribution Charge, the Gas Cost Adjustment (GCA) Rider, and other riders applicable by class of service. (T)

5. Minimum Monthly Bill

The Base Charge plus any High Load Factor (HLF) demand charge, if applicable. (T,D)

6. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service

Rate G-1

7. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for services rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

8. Premises Charge

New residential service connections on and after January 1, 2001 hereunder are subject to the Premises Charge described on Tariff Sheet No. 67.

(N)

9. Rules and Regulations

Service furnished under this schedule is subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

(T)

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

1. Applicable

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. Availability of Service

- a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from the existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier.
- b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under “General Sales Service Rate G-1” limited to use and volume which, in the Company’s judgement, requires and justifies such combination service.
- c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.

3. Delivery Volumes

- a) The volume of gas to be sold and purchases under this rate schedule shall be set forth in a written contract, specifying a maximum daily interruptible sales service volume and shall be subject to revision in accordance with the Company’s approved curtailment plan.

(T,N)

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ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

b) High Priority Service

The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.

c) Interruptible Service

The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.

d) Revision of Delivery Volumes

The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

a) Base Charge: \$250.00 per delivery point per month (I)
Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge

b) Distribution Charge: (T)

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First 15,000 Mcf	\$0.5300 per 1,000 cubic feet
Over 15,000 Mcf	0.3301 per 1,000 cubic feet

(I)

(I)

c) Gas Cost Adjustment (GCA) Rider

(N)

d) Margin Loss Recovery Rider

(D)

¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

5. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

6. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

(D)

(T)

(D)

(N)

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

7. Curtailement

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailement Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Penalty for Unauthorized Overruns

- a) In the event a customer fails in part or in whole to comply with a Company Curtailement Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailement Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.
- b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailement Order.
- c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

(D)
(T)

(C)

(N)

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ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

9. Special Provisions

(T)

- a) A written contract with a minimum term of one year shall be required.
- b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts thereunder.
- c) No gas delivered under this rate schedule and applicable contract shall be available for resale.

10. Late Payment Charge

(T)

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales									
Rates LVS-1 (High Priority), LVS-2 (Low Priority)									
1. <u>Applicable</u>									
Entire Service Area of the Company. (See list of towns – Sheet No. 3)									
2. <u>Availability of Service</u>									
Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the Company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.									
3. <u>Net Monthly Rate</u>									
a)	<table style="width: 100%; border: none;"> <tr> <td colspan="2"><u>Base Charge:</u></td> </tr> <tr> <td>LVS-1 Service</td> <td style="text-align: right;">\$ 24.00 per Meter</td> </tr> <tr> <td>LVS-2 Service</td> <td style="text-align: right;">250.00 per Meter</td> </tr> <tr> <td>Combined Service</td> <td style="text-align: right;">250.00 per Meter</td> </tr> </table>	<u>Base Charge:</u>		LVS-1 Service	\$ 24.00 per Meter	LVS-2 Service	250.00 per Meter	Combined Service	250.00 per Meter
<u>Base Charge:</u>									
LVS-1 Service	\$ 24.00 per Meter								
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<u>Distribution Charge for LVS-1 Service</u>									
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c)	<table style="width: 100%; border: none;"> <tr> <td colspan="2"><u>Distribution Charge for LVS-2 Service</u></td> </tr> <tr> <td>First¹</td> <td style="text-align: right;">15,000 Mcf @ \$0.5300 per Mcf</td> </tr> <tr> <td>Over</td> <td style="text-align: right;">15,000 Mcf @ 0.3301 per Mcf</td> </tr> </table>	<u>Distribution Charge for LVS-2 Service</u>		First ¹	15,000 Mcf @ \$0.5300 per Mcf	Over	15,000 Mcf @ 0.3301 per Mcf		
<u>Distribution Charge for LVS-2 Service</u>									
First ¹	15,000 Mcf @ \$0.5300 per Mcf								
Over	15,000 Mcf @ 0.3301 per Mcf								
¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.									

(I)
(I)
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(I)
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(T)
(I)
(I)

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ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales	
Rates LVS-1 (High Priority), LVS-2 (Low Priority)	
d) The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.	
e) The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.	
f) The True-Up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.	
g) Notice of the Weighted Average Commodity Gas Cost and True-Up Adjustment will be filed with the Commission prior to billing.	
h) Margin Loss Recovery Rider	(N)
4. <u>Net Monthly Bill</u>	(T)
The Net Monthly Bill shall be equal to the sum of the Base Charge, the High Load Factor demand charge, the Distribution Charge, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-Up Adjustment.	
5. <u>Minimum Monthly Bill</u>	(T,D)
The Base Charge and High Load Factor demand charge, if applicable.	

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

6. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

7. Alternative Fuel Responsive Flex Provision (LVS-2 Service Only)

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable distribution charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the applicable Distribution Charge to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component and weighted average commodity gas cost of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

8. Curtailment

(N)

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

9. Penalty for Unauthorized Overruns

(N)

- a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.
- b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.
- c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

10. Service Agreement

(D)

The Company will require a written contract for a minimum term of twelve months. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting service of equal or higher priority customers in the area.

A customer with an unexpired contract for other services may subscribe to LVS service by contract amendment provided the contract, as amended, has a remaining term of at least twelve months.

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WESTERN KENTUCKY GAS COMPANY

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis. The priority of contract volumes shall be subject to revision in accordance with the Company's approved curtailment plan.

The contract volumes (or service mix) shall be subject to revision by the Company as appropriate so as to coincide with the customer's normal operating conditions and actual load with consideration given to any reasonably anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

11. Late Payment Charge

(T)

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

12. Exit Fee

(T)

When service under this schedule is discontinued, the customer is responsible for (or entitled to) an exit fee (or refund) equal to the lagging true-up adjustments related to the customer's service period.

13. Rules and Regulations

(T)

Service furnished under this schedule and applicable contracts are subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Weather Normalization Adjustment Rider

WNA

(N)

1. Applicable

Applicable to Rate G-1 Sales Service, excluding industrial class only.

The distribution charge per Mcf for gas service as set forth in G-1 Sales Service shall be adjusted by an amount hereinunder described as the Weather Normalization Adjustment (WNA). The WNA shall be applicable to Rate G-1 Sales Service, excluding Industrial Sales Service.

The WNA shall apply to all residential, commercial and public authority bills based on meters read during the months of November through April. The WNA shall increase or decrease accordingly by month. The WNA will not be billed to reflect meters read during the months of May through October. Customer base loads and heating sensitivity factors will be determined by class and computed annually.

2. Computation of Weather Normalization Adjustment

The WNA shall be computed using the following formula:

$$WNA_i = R_i \frac{(HSF_i (NDD - ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where:

- i = any rate schedule or billing classification within a rate schedule that contains more than one billing classification
- WNA_i = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Mcf
- R_i = weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification
- HSF_i = heat sensitive factor for the ith schedule or classification
- NDD = normal billing cycle heating degree days
- ADD = actual billing cycle heating degree days
- BL_i = base load for the ith schedule or classification

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment

Rider GCA

1. Applicable

Gas Tariffs in effect for the entire Service Area of the Company as designated in the particular tariff.

2. Gas Cost Adjustment (GCA)

The Company shall file a Monthly Report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) at least thirty (30) days prior to the beginning of each month. The GCA shall become effective for meter readings on and after the first day of the month.

3. Determination of GCA

The monthly amount computed under each of the rate schedules to which this GCA is applicable shall be increased or decreased at a rate per Mcf calculated for each billing month in accordance with the following formula as applicable to each rate class:

$$\text{GCA} = \text{EGC} + \text{CF} + \text{RF}$$

(T,D)

Where:

EGC – is the weighted average Expected Gas Cost per Mcf of gas supply which is reasonably expected to be experienced during the month the GCA will be applied for billings.

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WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment

Rider GCA

EGC is composed of the following:

- 1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a commodity basis.
- 2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a non-commodity basis.
- 3) The cost of other gas sources for system supply (no-notice supply, Company storage, withdrawals, etc.).

Less

- 4) The cost of gas purchases expected to be injected into underground storage.
- 5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.
- 6) Projected recovery of non-commodity and commodity costs from LVS-1 and LVS-2 transactions.
- 7) The cost of Company-use volumes.
- 8) Projected recovery of non-commodity costs from High Load Factor (HLF) demand charges.

(D)

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism

DSM

(N)

DBA = DSM Balance Adjustment. The DBA shall be calculated on a calendar year basis and be used to reconcile the difference between the amount of revenues actually billed through the DCRC, DCRP and previous applications of the DBA, and the revenues which should have been billed.

The DBA for the upcoming twelve-month period shall be calculated as the sum of the balance adjustments for the DCRC, DCRP and DBA. For the DCRC, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DCRC unit charge and the actual cost of the DSM Program during the same twelve-month period.

For the DCRP, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DCRP unit charge and the actual cost of the DSM pilot program as amortized at no interest over three years.

For the DBA, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DBA unit charge and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period. The balance adjustments plus interest shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DBA.

The Company will file modifications to the DSMRC on an annual basis at least two months prior to the beginning of the effective upcoming twelve-month period for billing. This annual filing shall include detailed calculations of the DCRC, the DCRP, and the DBA, as well as data on the total cost of the DSM Program over the twelve-month period.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Margin Loss Recovery Rider**MLR**

(N)

Intent

This Margin Loss Recovery Rider is intended to authorize the Company to recover 90% of distribution charge losses that result from (1) discounts pursuant to the Alternate Fuel Responsive Flex Provision, or, (2) special contracts approved by the Public Service Commission of Kentucky.

Calculation of the Margin Loss Recovery Factor

The Margin Loss Recovery Factor will be calculated in accordance with the following formula:

$$MLR = \frac{(NGPM - AGPM) \times .9}{S}$$

Where:

MLR is the Margin Loss Recovery Factor

NGPM is the normally applicable distribution charges

AGPM is the actual distribution charges under Flex Sales or Transportation transactions, or, as stated in the special contract

S is the expected sales volumes as used in the Correcting Factor of the Gas Cost Adjustment Rider

Filing with the Public Service Commission of Kentucky

The MLR shall be filed every March and September, to become effective in April and October, respectively. The March filing shall update the MLR for the six months ended December period while the September filing shall update the MLR for the six months ended June period.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism

DSM

(N)

1. Applicable

Applicable to Rate G-1 Sales Service, residential class only.

The monthly Distribution Charge under Residential Rate G-1 Sales Service, shall be increased or decreased annually beginning January 2000 by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula:

$$\text{DSMRC} = \text{DCRC} + \text{DCRP} + \text{DBA}$$

Where:

DCRC = DSM Cost Recovery-Current. The DCRC shall include all projected costs for the next twelve-month period. These costs shall be limited to expected payments to program implementation contractors over that period, as well as any costs incurred by or on behalf of the DSM collaborative process. These costs would be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DCRC.

DCRP = DSM Cost Recovery-Pilot. The DCRP shall include all costs associated with the implementation of the DSM Pilot program. These costs include payments to implementation contractors, as well as costs incurred on behalf of the collaborative process, including consultants. These costs shall be amortized over a three-year period beginning January 2000 through December 2002. The costs to be amortized over the upcoming twelve-month period shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DCRP.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Gas Research Institute R & D Rider

GRI R & D Unit Charge

(N)

Application:

This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Carriage Service.

GRI R&D Unit Charge:

The intent of the Gas Research Institute R&D Unit Charge is to maintain the Company's level of contribution per Mcf as of December 31, 1998. The Unit Charge will be billed according to the transition schedule outlined in the pipelines' tariffs.

Waiver Provision:

The GRI R&D Unit Charge may be reduced or waived for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission.

Remittance of Funds:

All funds collected and this rider will be remitted to Gas Research Institute on a monthly basis. The amounts so remitted shall be reported to the Commission annually.

Reports to the Commission:

A statement setting forth the manner in which the funds remitted have been invested in research and development will be filed with the Commission annually.

Termination of this Rider: Participation in the GRI R&D funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company by filing a notice of rescission with the Commission.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism	
DSM	
<u>DSM Cost Recovery Component (DSMRC):</u>	
DSM Cost Recovery – Current:	\$0.0155 per Mcf
DSM Cost Recovery – Pilot:	\$0.0225 per Mcf
DSM Balance Adjustment:	<u>\$0.0000 per Mcf</u>
DSMRC Residential Rate G-1	\$0.0380 per Mcf

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Transportation Service		(T)
Rate T-2		
1. <u>Applicable</u>		
Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).		
2. <u>Availability of Service</u>		
Available to any customer with an expected consumption of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.		
3. <u>Net Monthly Rate</u>		
In addition to any and all charges assessed by other parties, there will be applied:		
a) <u>Transportation Administration Fee</u> - \$50.00 per customer per month		
b) <u>Distribution Charge for High Priority Service</u>		
First	300 Mcf	@ \$ 1.2000 per Mcf
Next	14,700 Mcf	@ 0.6946 per Mcf
Over	15,000 Mcf	@ 0.4299 per Mcf
c) <u>Distribution Charge for Low Priority Service</u>		
First	15,000 Mcf	@ \$ 0.5300 per Mcf
Over	15,000 Mcf	@ 0.3301 per Mcf
d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.		
e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).		
All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.		

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Transportation Service

Rate T-2

(T)

4. Net Monthly Bill

The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Transportation Charge (Distribution Charge plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge under Rates G-1 and G-2.

(T)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" – The Level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Transportation Service

Rate T-2

- b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 300 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

8. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.
- c) The Company will not be obligated to deliver a total supply of gas to the customer in excess if the customer's maximum contracted volumes.
- d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.
- e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

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WESTERN KENTUCKY GAS COMPANY

General Transportation Service

Rate T-2

(T)

9. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

(T)

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service		(T)
Rate T-3		(T)
<p>1. <u>Applicable</u></p> <p>Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.</p>		
<p>2. <u>Availability of Service</u></p> <p>a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.</p> <p>b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.</p>		
<p>3. <u>Net Monthly Rate</u></p> <p>In addition to any and all charges assessed by other parties, there will be applied:</p>		
a) Base Charge	- \$250.00 per delivery point	(I)
b) Transportation Administration Fee	- 50.00 per customer per month	(I)
<p>c) <u>Distribution Charge for Interruptible Service</u></p>		
First 15,000 Mcf	@ \$0.5300 per Mcf	(I)
Over 15,000 Mcf	@ 0.3301 per Mcf	(R)
<p>d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.</p>		
<p>e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).</p>		
<p>All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.</p>		

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service	(T)
Rate T-3	(T)
<p>4. <u>Net Monthly Bill</u></p> <p>The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)</p> <p>5. <u>Nominated Volume</u></p> <p>Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.</p>	(T)

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service

(T)

Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

(N,T)

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service	
Rate T-3	
b) "Cash out" Method	
<u>Imbalance volumes</u>	<u>Cash-out Price</u>
First ¹ 5% of Mcf Customer	@ 100% of Index Price ²
Next ¹ 5% of Mcf Customer	@ 90% of Index Price ²
Over ¹ 10% of Mcf Customer	@ 80% of Index Price ²
¹ Not to exceed the Imbalance volumes	
² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.	
c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.	
d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.	
e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.	

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service		(T)
Rate T-3		
<p>7. <u>Curtailment</u></p> <p>a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.</p> <p>b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.</p>		
<p>8. <u>Special Provisions</u></p> <p>It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.</p> <p>No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.</p>		(T) (D)

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service

Rate T-3

(T)

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service	
Rate T-3	
<p>g) The customer will be solely responsible to correct, any imbalances it has caused on the applicable pipeline's system.</p>	(T)
<p>10. <u>Late Payment Charge</u></p> <p>A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.</p>	

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service

Rate T-3

(T)

11. Alternative Fuel Responsive Flex Provisions

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

(T)

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service		(T)
Rate T-4		
1. <u>Applicable</u>		
Entire Service Area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.		
2. <u>Availability of Service</u>		
a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.		
b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.		
3. <u>Net Monthly Rate</u>		
In addition to any and all charges assessed by other parties, there will be applied:		
a) Base Charge	- \$250.00 per delivery point	(I)
b) Transportation Administration Fee	- 50.00 per customer per month	(I)
c) <u>Distribution Charge for Firm Service</u>		
First 300 Mcf	@ \$1.2000 per Mcf	(T) (I)
Next 14,700 Mcf	@ 0.6946 per Mcf	(I)
Over 15,000 Mcf	@ 0.4299 per Mcf	(I)
d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.		
e) Electronic Flow Measurement ("EFM") facilities charges, if applicable (Sheet No. 51).		
All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.		

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WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service	
Rate T-4	
<p>4. <u>Net Monthly Bill</u></p> <p>The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)</p> <p>5. <u>Nominated Volume</u></p> <p>Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.</p>	<p>(T)</p> <p>(T)</p>

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WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

(T)

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-1). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

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WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service	
Rate T-4	
b) "Cash out" Method	
<u>Imbalance volumes</u>	<u>Cash-out Price</u>
First ¹ 5% of Mcf Customer	@ 100% of Index Price ²
Next ¹ 5% of Mcf Customer	@ 90% of Index Price ²
Over ¹ 10% of Mcf Customer	@ 80% of Index Price ²
¹ Not to exceed the Imbalance volumes	
² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.	
c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.	
d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the pipeline(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.	
e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.	

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WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service		(T)
Rate T-4		
<p>7. <u>Curtailement</u></p> <p>All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailement Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.</p>		
<p>8. <u>Special Provisions</u></p> <p>It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Carriage Service Rate T-4. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.</p> <p>No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.</p>		(T) (D)

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WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Carriage Service Rate to the facilities of the Company. (T)
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.
- g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

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WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service

Rate T-4

(T)

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

11. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

(T)

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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WESTERN KENTUCKY GAS COMPANY

Alternate Receipt Point Service

(N)

Rate T-5

1. Applicable

Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's transportation (Rate T-2) or carriage service (Rate T-3 or Rate T-4) requirements.

2. Availability of Service

- a) Available, subject to restrictions noted below, to any customer utilizing transportation or carriage services, on an individual service at the same premise, who has purchased its own supply of natural gas and requests delivery to the Company at a receipt point other than the Company's interconnection with the pipeline, or supplier immediately upstream of customer's premises.
- b) The alternate receipt point through which service is requested must be physically accessible via the Company's existing pipeline system upstream of the delivery point to the customer's facilities.
- c) The Company, in its sole judgment, shall determine the portions of its system to which access may be granted to a specific Alternate Receipt Point.
- d) Access to certain alternate receipt points may be limited or restricted altogether by the Company, in its sole judgment.
- e) Availability of service is contingent upon the Company's sole determination that such service is available through existing facilities.
- f) The Company may decline to initiate service to a customer under this tariff, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, and in addition to the charges applicable to Customer associated with their transportation (Rate T-2) or carriage service (Rate T-3 or Rate T-4) requirements, the following supplemental distribution charge will be applied to all volumes received and transported from the Alternate Receipt Point:

- a) Distribution Charge @ \$0.10 per Mcf

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WESTERN KENTUCKY GAS COMPANY

Alternate Receipt Point Service

Rate T-5

(N)

4. Imbalances

- a) Volumes delivered by the Company under the Alternate Receipt Point service may be subjected to imbalance restrictions additional to those specified in the transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs.
- b) Banking or Parking allowances for volumes delivered under the Alternate Receipt Point service may be limited or restricted altogether, at the Company's sole judgment.

5. Terms and Conditions

- a) Volumes under the Alternate Receipt Point service are received for redelivery by the Company on a strictly interruptible basis.
- b) The Company is not responsible for any costs incurred by the customer in its arrangement for gas supply or capacity to the Alternate Receipt Point.
- c) Specific details relating to volume, receipt point(s) and similar matters shall be covered by a separate written contract or amendment with the customer.
- d) Other than provisions referenced herein, or as more specifically set forth in the contract or amendment with the customer, all provisions of the customer's transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs shall apply.

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EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Special Charges			
<u>Service</u>	<u>After Hours</u>	<u>Regular</u>	
Meter Set*	\$35.00	\$28.00	(N)
Turn-on*	25.00	20.00	(N,I)
Read	14.00	12.00	(N)
Reconnect Delinquent Service	40.00	34.00	(N,I)
Seasonal Charge	73.00	65.00	(N)
Special Meter Reading Charge	N/A	No Charge	
Meter Test Charge	N/A	20.00	
Returned Check Charge	N/A	23.00	(I)
Late Payment Charge (Rate G-1 only)		5%	(N)
Premises Charge for new residential service connections**			(N)
- Requiring main extension		13.05 per mo.	
- Not requiring main extension		11.25 per mo.	
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment			
- Class 1 EFM equipment (less than \$7,500, including installation costs)		105.00 per mo.	
- Class 2 EFM equipment (more than \$7,500, including installation costs)		245.00 per mo.	(N)
* Waived for qualified low income applicants ("LIHEAP participants")			
** Waived for qualified low income applicants ("LIHEAP participants") and HUD-certified low income new housing			(N)

ISSUED: June 23, 1999

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ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs


WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C)

4. Billings

a) The following is an example of the monthly bills sent to the Company's residential customers:

 P O BOX 11825 OWENSBORO KY 42302-0825		MAKE CHECK PAYABLE TO WESTERN KENTUCKY GAS		WESTERN KY GAS CUSTOMER COPY							
		1 →		NAME JOHN Q CUSTOMER ADDR 1234 MAIN ST							
		3 →		ACCT NO 521 005 95833 RATE CODE 043215 ← 1							
		2 →		METER NO 009976 GAS CHARGE PER CCF 0.0000 ← 1							
				DATE 04/10 TO 05/09 CCF ← 4 READ 1137 TO 1200 53 ← 4							
<table border="1"> <tr> <th colspan="2">CURRENT AMOUNT PAST DUE AFTER 01/23/99</th> </tr> <tr> <th>PRIOR AMOUNT PAST DUE</th> <th>TOTAL AMOUNT DUE</th> </tr> <tr> <td>0.00</td> <td>00.00</td> </tr> </table>		CURRENT AMOUNT PAST DUE AFTER 01/23/99		PRIOR AMOUNT PAST DUE	TOTAL AMOUNT DUE	0.00	00.00	PLEASE RETURN THIS PORTION ADDRESS ON REVERSE SIDE MUST SHOW THROUGH WINDOW ENVELOPE.		ESTIMATED CCF 53 ← 10 GAS PAST DUE AMOUNT 0.00 BASE CHARGE 0.00 DISTRIBUTION CHARGE 0.00 GAS CHARGE 0.00 ← 7 ADJUSTMENTS 0.00 SCHOOL FEE 0.00 FRANCHISE FEE 0.00 STATE TAX 0.00 SERVICE CHARGE 0.00 PREMISES CHARGE 0.00	
CURRENT AMOUNT PAST DUE AFTER 01/23/99											
PRIOR AMOUNT PAST DUE	TOTAL AMOUNT DUE										
0.00	00.00										
521 005 95833.4 JOHN Q CUSTOMER 1234 LILAC ST SEEPRE, KY 42455-0000		1443		<table border="1"> <tr> <th colspan="2">CURRENT AMOUNT PAST DUE AFTER 01/23/99</th> </tr> <tr> <th>PRIOR AMOUNT PAST DUE</th> <th>TOTAL AMOUNT DUE</th> </tr> <tr> <td>0.00</td> <td>00.00</td> </tr> </table> ← 9 ← 6		CURRENT AMOUNT PAST DUE AFTER 01/23/99		PRIOR AMOUNT PAST DUE	TOTAL AMOUNT DUE	0.00	00.00
CURRENT AMOUNT PAST DUE AFTER 01/23/99											
PRIOR AMOUNT PAST DUE	TOTAL AMOUNT DUE										
0.00	00.00										
⑆0000000000000015299105154703999020000004				42455 1-0001000-0001000-WKG GAS84							

1. Class of Service (Please see Sheet 7).
2. Present and last preceding meter reading.
3. Date of present reading.
4. Number of units consumed.
5. Meter constant if any – not applicable to Residential service.
6. Net amount for service rendered.
7. Any adjustments.
8. Gross amount of bill – not applicable to Residential service.
9. Date after which a penalty may apply.
10. Indicates an estimated or calculated bill.

NOTE: LARGE VOLUME COMMERCIAL AND INDUSTRIAL BILLING WILL DISPLAY THE ABOVE INFORMATION, BUT MAY BE PRESENTED IN A DIFFERENT FORMAT.

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ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

- e) The Company will issue to every customer from whom a deposit is collected a receipt of deposit. The receipt will show the name of the customer, location of the service or customer, account number, date, and amount of deposit. If the deposit amount changes, the Company will issue a new receipt of deposit to the customer.
- f) Except for Winter Hardship Reconnections (as provided by Section 12 of these Rules and Regulations) customer service may be refused or discontinued if payment of requested deposit is not made.
- g) Interest will accrue on all deposits at a rate prescribed by law, beginning on the date of deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the Company will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposits, the payment or credit shall be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

When a deposit is required from a customer it will be held for twelve (12) months, or until service is discontinued, unless one of the following has occurred: (a) service has been terminated for non-payment of services or (b) the customer has been late on two (2) or more payments in the last twelve (12) months.

6. Special Charges

The Company may make special nonrecurring charges, approved by the Commission, to recover customer-specific costs incurred to benefit specific customers. Listed below are the special charges included in the Company's tariff and a short description of the related service performed or action taken by the Company. See the Special Charges, Sheet No. 51 for the amount of the charge.

- a) Meter Set. A meter set charge may be assessed for a new service or re-set, or temporary service. (N)
- b) Turn On. A turn on charge may be assessed for connecting service which has been terminated or idle at a given premises for reasons other than nonpayment of bills or violation of the Company or Commission regulations. (T)

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WESTERN KENTUCKY GAS COMPANY

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- c) Read. A read charge may be assessed for the establishment of new service where only a meter read is required. (N)
- d) Reconnect Delinquent Service. A reconnect delinquent service charge may be assessed to reconnect a service which has been terminated for nonpayment of bills or violation of the Company or Commission regulations. Customers qualifying for service reconnection under Section 12 of these Rules and Regulations shall be exempt from reconnect charges. (T)
- e) Seasonal Charge. A seasonal charge may be assessed when the customer's service has been disconnected at his request and at any time subsequently within (12) months is reconnected at the same or any other premises. (N)
- f) After Hours Charge. An additional charge shall be applied to any special service activity, including reconnects for delinquent service, initiated at the customer's request outside normal business hours such as at night, on weekends or holidays. The Company shall advise the customer of the applicable after hours charge upon initiation of the service request and offer the customer the alternative to perform the requested activity during normal business hours, including reconnects for delinquent service, as a means to avoid the after hours charge. (N)
- g) Special Meter Reading Charge. This charge may be assessed when a customer requests that a meter be reread and the second reading shows that the original reading was correct. No charge shall be assessed if the original reading was incorrect. This charge may also be assessed when a customer who reads his own meter fails to read the meter for three (3) consecutive months, and it is necessary for a Company representative to make a trip to read the meter.

(No such charge may be assessed until the amount of the charge is approved or otherwise accepted by the Commission).
- h) Meter Resetting Charge. A charge may be assessed for resetting a meter if the meter has been removed at the customer's request.
- i) Meter Test Charge. This charge may be assessed if a customer requests the meter be tested pursuant to Section 13 and 807 KAR 5:006, section 18, and the tests show the meter is not more than two (2) percent fast. No charge shall be made if the test shows the meter is more than two (2) percent fast.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

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- j) Returned Check Charge. A returned check charge may be assessed if a check accepted for payment of a Company bill is not honored by the customer's financial institution.
- k) Late Payment Charge. A late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received will first be applied to the bill for services rendered. Additional penalty charges will not be assessed on unpaid penalty charges.
- l) Premises Charge. A charge to recover Excess Investment associated with new residential service connections, along with carrying costs and related taxes. The following terms and conditions are applicable to the charge: (N)
 - 1) Separate charges shall be computed and applied for those service connections requiring main extension and for those connections not requiring main extension.
 - 2) The charges are applicable to all new residential service connections, commencing with connections made on and after January 1, 2001.
 - 3) The charge shall be payable for 180 months and is applicable to the service address, regardless of changes in ownership, commencing with the first occupant of the address following service connection.
 - 4) Premises Charges shall not be applicable to HUD-certified low-income new housing or to LIHEAP-qualified customers at any service address.
 - 5) The Company shall update the amounts of the charges annually and, upon Commission approval, apply such new charges prospectively for new residential service connections in the ensuing year. If the amount of increase or decrease to the Premises Charge is less than 10%, the Company may waive implementation of such increase or decrease and charge the existing Premises Charge for new connections in the ensuing year.
 - 6) The Company shall file a report with the Commission annually, not later than 120 days after the close of the Company's fiscal year, listing the number and type of Premises Charges levied during the fiscal year and the financial accounting entries for the disposition of revenues, cost recovery, and taxes.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C.T)

7. Customer Complaints to the Company

Upon complaint to the Company by a customer at the Company's office, by telephone, or in writing, the Company will make a prompt and complete investigation and advise the complainant of its findings. If a written complaint or a complaint made in person at the Company's office is not resolved, the Company will provide written notice to the complainant of his right to file a complaint with the Commission, and will provide him with the address and telephone number of the Commission. If a telephone complaint is not resolved, the Company will provide at least oral notice to the complainant of his right to file a complaint with the Commission and the address and telephone number of the Commission.

8. Bill Adjustments

- a) If upon periodic test, request test, or complaint test, a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. The test will be made in accordance with Commission regulations applicable to the type of meter involved.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

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(C.T)

- e) The customer's piping extending from the outlet of the meter shall be installed and maintained by the customer at his expense.
- f) The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.
- g) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.

19. Owners Consent

In case the customer is not the owner of the premises where service is to be provided, it will be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in or on said premises all such piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.

The Company will not require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. The cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned according to Section 28 in these Rules and Regulations.

20. Customer's Equipment and Installation

- a) The customer shall furnish, install and maintain at his expense the necessary customer's service line extending from the Company's service connection at the curb or property line to the building or place of utilization of the gas.
- b) The installation of the customer's service line shall be made in accordance with the requirement of the constituted authorities and the Company's specifications covering locations, installation, kind and size of pipe, type of pipe coating or wrapping, and method of connecting the joints of pipe. The location shall be the point of easiest access to the Company from its facilities and the Company shall be consulted and its approval obtained before the installation is made.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

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27. Point of Delivery of Gas

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection in to the customer's service line or pipe or at the outlet of the meter, whichever is nearest the delivery main of the Company.

28. Distribution Main Extensions

- a) The Company will extend an existing distribution main up to one hundred (100) feet for each single customer provided the following criteria is met:
- 1) The existing main is of sufficient capacity to properly supply the additional customer(s);
 - 2) Provided that the customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,
 - 3) Provided the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.
- b) Whenever an extension exceeds one hundred (100) feet per customer, the Company will enter into an agreement with the customer(s) or subscriber(s). The agreement will provide for the extension on a cost per foot basis with the additional amount to be deposited with the Company by the customer(s) or subscriber(s). The agreement will contain provisions for a proportionate and equitable refund in the event other customers are connected to the extension within a ten (10) year period. Refunds shall be made only after the customer(s) has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension, to specify the pipe size and location of the extension, and to construct the extension in accordance with its standard practices. Title to all extensions covered by agreements shall be and remain in the Company and in no case shall the amount of any refunds exceed the original deposit. Any further or lateral extension shall be treated as a new and separate extension.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

33. Curtailement Order

In cases of impairment of gas supply or distribution system capacity, or partial or total interruptions and when it appears that the Company is, or will be, unable to supply the requirements of all of its customers in any system or segment thereof, the Company shall curtail gas service to its customers in the manner set forth below. (T)

a) **Definitions:**

Residential – Service to customers for residential purposes including housing complexes and apartments.

Commercial – Service to customers engaged primarily in the sale of goods or services including institutions and local and federal agencies for uses other than those involving manufacturing.

Industrial – Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power for sale.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C)

b) Priorities of Curtailment:

Sales Service

The Company may curtail or discontinue sales service in whole or in part on a daily, monthly or seasonal basis in any purchase zone in accordance with the following priorities, starting with Priority 8 and proceeding in descending numerical order.

High Priority

Priority 1. Residential and services essential to the public health where no alternate fuel exists (Rate G-1)

Priority 2. Small commercials less than 50 Mcf per day (Rate G-1).

Priority 3. Large commercials over 50 Mcf per day not included under lower priorities (Rates G-1, LVS-1)

Priority 4. Industrials served under Rate G-1 or LVS-1.

Low Priority

Priority 5. Customers served under Rates G-2 or LVS-2 other than boilers included in Priority 6.

Priority 6. Boiler loads shall be curtailed in the following order (Rates G-2 or LVS-2).

A – Boilers over 3,000 Mcf per day.

B – Boilers between 1,500 Mcf and 3,000 Mcf per day.

C – Boilers between 300 Mcf and 1,500 Mcf per day.

Priority 7. Imbalance sales service under Rate T-3 and Rate T-4.

Priority 8. Flex sales transactions.

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Vice President – Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(T)

c) **Penalty for Unauthorized Overruns**

In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.

In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

d) **Discontinuance of Service**

The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.

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Vice President – Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. NO. 20
Third Revised SHEET No. 1
Cancelling
Second Revised SHEET No. 1

WESTERN KENTUCKY GAS COMPANY

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Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Fourth Revised SHEET No. 1
Cancelling
Third Revised SHEET No. 1

WESTERN KENTUCKY GAS COMPANY

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Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
 P.S.C. NO. 20
 Third Revised SHEET No. 2
 Cancelling
 Second Revised SHEET No. 2

WESTERN KENTUCKY GAS COMPANY

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PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

DEC 20 1998

PURSUANT TO 807 KAR 5011.

SECTION 9 (1)

BY: Stephen O. Bell
 SECRETARY OF THE COMMISSION

The following pages have been reserved for future use: 8-10, 14, 26, 30, 33, 39, 49, 50, 53-60

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 Vice President - Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 20
 Fourth Revised SHEET No. 2
 Cancelling
 Third Revised SHEET No. 2

Proposed

WESTERN KENTUCKY GAS COMPANY

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Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Towns and Communities in Service Area

The Service Area of the Company includes the following towns and their environs:

Adairville	Dennis	Hartford	Munfordsville	Sebree
Aetnaville	Depoy	Hawesville	Niagara	Sedalia
Alton	Dermont	Heath	Nortonville	Shelby City
Anthoston	Dixon	Hendron	Oak Ridge	Shelbyville
Anton	Earlington	Herbert	Oakdale	Slaughters
Auburn	Eddyville	Hickory	Oakland	Smiths Grove
Baskett	Elkton	Hill-n-dale	Oklahoma	Sorgho
Beairstown	Elmitch	Hiseville	Owensboro	So. Henderson
Beaver Dam	Empire	Horse Cave	Paducah	So. Highland
Beda	Epley	Hopkinsville	Park City	So. Union
Beulah	Epperson	Hustonville	Perryville	Spottsville
Boston	Evergreen	Junction City	Philpot	Springfield
Bowling Green	Farmdale	Knottsville	Pleasant Hill	St. Charles
Bremen	Fearsville	Lake City	Pleasant Ridge	St. Joseph
Briartown	Feliciana	Lancaster	Plum Springs	Stanford
Browns Valley	Finley	Lawrenceburg	Poole	Stanley
Buck Creek	Fordsville	Lebanon	Powderly	Stringtown
Buford	Franklin	Livia	Princeton	Summersville
Burgin	Fredonia	Logantown	Pritchardsville	Sutherland
Cadiz	Fruit Hill	Lone Oak	Pryorsburg	Symsonia
Calhoun	Gilbertsville	Luzerne	Reidland	Thurston
Calvert City	Gishton	Macco	Reidville	Utica
Calvary	Glasgow	Madisonville	Reynolds Sta.	Waddy
Campbellsville	Glenville	Mannington	Robards	Water Valley
Carbondale	Grahamville	Marion	Rocky Hill	West Louisville
Cave City	Grand Rivers	Masonville	Rome	Whitesville
Central City	Greensburg	Mayfield	Rowlets	Wingo
Charleston	Greenville	McGowan	Rumsey	Woodburn
Cloverport	Habit	Memphis Junc.	Russellville	Woodlawn
Crayne	Hanson	Midland	Sacramento	Woodsonville
Crofton	Hardeman	Milledgeville	Salmons	Yelvington
Danville	Hardinsburg	Moreland	Saloma	Zion
Dawson Springs	Harmed	Mortons Gap	Schochoh	
Deanfield	Harrodsburg	Mosleyville		

ISSUED: June 23, 1999
 EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter
 Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Towns and Communities in Service Area

The Service Area of the Company includes the following towns and their environs:

Adairville	Dermont	Hawesville	Munfordsville	Sebree
Aetnaville	Dixon	Heath	Niagara	Sedalia
Alton	Earlington	Hendron	Nortonville	Shelby City
Anthoston	Eddyville	Herbert	Oak Ridge	Shelbyville
Auburn	Elkton	Hickory	Oakdale	Slaughters
Baskett	Elmitch	Hill-n-dale	Oakland	Smiths Grove
Beairstown	Empire	Hiseville	Oklahoma	Sorgho
Beaver Dam	Epley	Hopkinsville	Owensboro	So. Henderson
Beda	Epperson	Horse Cave	Paducah	So. Highland
Boston	Evergreen	Hustonville	Park City	So. Union
Bowling Green	Farmdale	Junction City	Perryville	Spottsville
Bremen	Fearsville	Knottsville	Philpot	Springfield
Briartown	Feliciana	Lake City	Pleasant Hill	St. Charles
Browns Valley	Finley	Lancaster	Pleasant Ridge	St. Joseph
Buck Creek	Fordsville	Lawrenceburg	Plum Springs	Stanford
Buford	Franklin	Lebanon	Poole	Stanley
Burgin	Fredonia	Livia	Powderly	Stringtown
Cadiz	Fruit Hill	Logantown	Princeton	Summersville
Calhoun	Gilbertsville	Lone Oak	Pritchardsville	Sutherland
Calvert City	Gishton	Luzerne	Pryorsburg	Symsonia
Calvary	Glasgow	Macco	Reidland	Thurston
Campbellsville	Glenville	Madisonville	Reidville	Utica
Carbondale	Grahamville	Mannington	Reynolds Sta.	Waddy
Cave City	Grand Rivers	Marion	Robards	Water Valley
Central City	Greensburg	Masonville	Rocky Hill	West Louisville
Charleston	Greenville	Mayfield	Rome	Whitesville
Cloverport	Habit	McGowan	Rowlets	Wingo
Crayne	Hanson	Memphis Junc.	Rumsey	Woodburn
Crofton	Hardeman	Midland	Russellville	Woodlawn
Danville	Hardinsburg	Milledgeville	Sacramento	Woodsonville
Dawson Springs	Harmed	Moreland	Salmons	Yelvington
Deanfield	Harrodsburg	Mortons Gap	Saloma	Zion
Dennis	Hartford	Mosleyville	Schochoh	

ISSUED: September 4, 1992
 EFFECTIVE: March 4, 1993

ISSUED BY: *May S. Kark*
 Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Current Rate Summary			
Case No. 95-010 QQ			
<u>Firm Service</u>			
Base Charge:			
Residential	- \$5.10 per meter per month		(I, R, N)
Non-Residential	- 13.60 per meter per month		(I, R, N)
Carriage (T-4)	- 150.00 per delivery point per month		(I, R, N)
Transportation Administration Fee	- 45.00 per customer per meter		(I, R, N)
	<u>Sales (G-1)</u>	<u>Transport (T-2)</u>	<u>Carriage (T-4)</u>
First 300 ¹ Mcf	@ 3.5660 per Mcf	@ 1.7902 per Mcf	@ 1.0615 per Mcf
Next 14,700 ¹ Mcf	@ 3.0630 per Mcf	@ 1.2872 per Mcf	@ 0.5585 per Mcf
Over 15,000 ¹ Mcf	@ 2.9130 per Mcf	@ 1.1372 per Mcf	@ 0.4085 per Mcf
	<u>High Load Factor Firm Service</u>		
HLF demand charge/Mcf	@ 4.2809	@ 4.2809 per Mcf of daily Contract Demand	(N)
First 300 ¹ Mcf	@ 3.0111 per Mcf	@ 1.2353 per Mcf	(I, R)
Next 14,700 ¹ Mcf	@ 2.5081 per Mcf	@ 0.7323 per Mcf	(I, R)
Over 15,000 ¹ Mcf	@ 2.3581 per Mcf	@ 0.5823 per Mcf	(I, R)
	<u>Interruptible Service</u>		
Base Charge	- \$150.00 per delivery point per month		(I)
Transportation Administration Fee	- 45.00 per customer per meter		(I)
	<u>Sales (G-2)</u>	<u>Transport (T-2)</u>	<u>Carriage (T-3)</u>
First 15,000 ¹ Mcf	@ 2.4756 per Mcf	@ 0.6998 per Mcf	@ 0.4936 per Mcf
Over 15,000 ¹ Mcf	@ 2.3256 per Mcf	@ 0.5498 per Mcf	@ 0.3436 per Mcf

¹ All gas consumed by the customer (sales, transportation, and carriage; firm, high load factor, and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: February 26, 1999 Effective: April 1, 1999
(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 QQ dated March 12, 1999.)
ISSUED BY: *William J. Senter* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Current Rate Summary			
Case No. 99-070			
<u>Firm Service</u>			
Base Charge:			
Residential	- \$ 9.00 per meter per month		(I)
Commercial	- 24.00 per meter per month		(T, I)
Carriage (T-4)	- 250.00 per delivery point per month		(I)
Transportation Administration Fee	- 50.00 per customer per meter		(I)
	<u>Sales (G-1)</u>	<u>Transport (T-2)</u>	<u>Carriage (T-4)</u>
First 300 ¹ Mcf	@ \$3.7045 per Mcf	@ \$1.9287 per Mcf	@ \$1.2000 per Mcf
Next 14,700 ¹ Mcf	@ 3.1991 per Mcf	@ 1.4233 per Mcf	@ 0.6946 per Mcf
Over 15,000 ¹ Mcf	@ 2.9344 per Mcf	@ 1.1586 per Mcf	@ 0.4299 per Mcf
	<u>High Load Factor Firm Service</u>		
HLF demand charge/Mcf	@ \$4.2809	@ \$4.2809 per Mcf of daily Contract Demand	(R, I, I)
First 300 ¹ Mcf	@ \$3.1496 per Mcf	@ \$1.3738 per Mcf	(R, I)
Next 14,700 ¹ Mcf	@ 2.6442 per Mcf	@ 0.8684 per Mcf	(R, I)
Over 15,000 ¹ Mcf	@ 2.3795 per Mcf	@ 0.6037 per Mcf	(R, I)
	<u>Interruptible Service</u>		
Base Charge	- \$250.00 per delivery point per month		(I)
Transportation Administration Fee	- 50.00 per customer per meter		(I)
	<u>Sales (G-2)</u>	<u>Transport (T-2)</u>	<u>Carriage (T-4)</u>
First 15,000 ¹ Mcf	@ \$2.5120 per Mcf	@ \$0.7362 per Mcf	@ \$0.5300 per Mcf
Over 15,000 ¹ Mcf	@ 2.3121 per Mcf	@ 0.5363 per Mcf	@ 0.3301 per Mcf

¹ All gas consumed by the customer (sales, transportation, and carriage; firm, high load factor, and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: June 23, 1999 EFFECTIVE: July 24, 1999
ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Current Gas Cost Adjustments Case No. 95-010 QQ			
Applicable			
For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).			
GCA = (EGC - BCOG) + CF + RF + PBRPF			
Gas Cost Adjustment Components			
	G-1	HLF G-1	G-2
EGC (Expected Gas Cost Component)	2,733.4	2,178.5	2,178.5
BCOG (Base Cost of Gas)	3,433.1	3,433.1	2,651.3
EGC - BCOG	(0.6997)	(1,254.6)	(0.4728)
CF (Correction Factor)	(0.1882)	(0.1882)	(0.1882)
RF (Refund Adjustment)	(0.0654)	(0.0654)	(0.0330)
PBRPF (Performance Base Rate Recovery Factor)	0.0247	0.0247	0.0247
GCA (Gas Cost Adjustment)	\$ (0.9286)	\$ (1,483.5)	\$ (0.6693)

ISSUED: February 26, 1999

Effective: April 1, 1999

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 QQ dated March 12, 1999.)

ISSUED BY: *William J. Senter* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Current Rate Summary Case No. 99-070			
Applicable			
For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).			
Gas Charge = GCA			
GCA = EGC + CF + RF + PBRPF			
Gas Cost Adjustment Components			
	G-1	HLF G-1	G-2
EGC (Expected Gas Cost Component)	\$2,733.4	\$2,178.5	\$2,178.5
CF (Correction Factor)	(0.1882)	(0.1882)	(0.1882)
RF (Refund Adjustment)	(0.0654)	(0.0654)	(0.0330)
PBRPF (Performance Based Rate Recovery Factor)	0.0247	0.0247	0.0247
GCA (Gas Cost Adjustment)	\$2,504.5	\$1,949.6	\$1,982.0

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Current Transportation and Carriage Case No. 95-010 QQ

The General Transportation Rate T-2 and Carriage Service (Rates T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage: 1.9%

Transportation Service (T-2)¹

Firm Service	Simple Margin	Non-Commodity	Gross Margin	(R)
a) First 300 ² Mcf @	\$1,0615 +	\$0.7287 =	\$1,7902 per Mcf	(R)
Next 14,700 ² Mcf @	0.5585 +	0.7287 =	1,2872 per Mcf	(R)
All over 15,000 ² Mcf @	0.4085 +	0.7287 =	1,1372 per Mcf	(R)
b) High Load Factor Firm Service (HLF) ³				(M)
Demand @	\$0.0000 +	4.2809 =	\$4,2809 per Mcf of daily contract demand	(M)
First 300 ² Mcf @	\$1,0615 +	\$0.1738 =	\$1,2353 per Mcf	(R)
Next 14,700 ² Mcf @	0.5585 +	0.1738 =	0,7323 per Mcf	(R)
All over 15,000 ² Mcf @	0.4085 +	0.1738 =	0,5823 per Mcf	(R)
c) Interruptible Service				(R)
First 15,000 ² Mcf @	\$0.4936 +	\$0.2062 =	\$0.6998 per Mcf	(R)
All over 15,000 ² Mcf @	0.3436 +	0.2062 =	0,5498 per Mcf	(R)

Carriage Service³

Firm Service (T-4)	Simple Margin	Non-Commodity	Gross Margin	(M)
a) First 300 ² Mcf @	\$1,0615 +	\$0.0000 =	\$1,0615 per Mcf	(M)
Next 14,700 ² Mcf @	0.5585 +	0.0000 =	0,5585 per Mcf	(M)
All over 15,000 ² Mcf @	0.4085 +	0.0000 =	0,4085 per Mcf	(M)
b) Interruptible Service (T-3)				(M)
First 15,000 ² Mcf @	\$0.4936 +	\$0.0000 =	\$0.4936 per Mcf	(M)
All over 15,000 ² Mcf @	0.3436 +	0.0000 =	0,3436 per Mcf	(M)

¹ Includes standby sales service under corresponding sales rates.
² All gas consumed by the customer (Sales and transportation; firm, high load factor, interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.
³ Excludes standby sales service.

ISSUED: February 26, 1999 Effective: April 1, 1999
(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 QQ dated March 12, 1999.)
ISSUED BY: *William J. Senter* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Current Rate Summary Case No. 99-070

The General Transportation Rate T-2 and Carriage Service (Rates T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage: 1.9%

Transportation Service (T-2)¹

Firm Service	Distribution Charge	Non-Commodity	Transportation Charge	(T)
a) First 300 ² Mcf @	\$1,2000 +	\$0.7287 =	\$1,9287 per Mcf	(T)
Next 14,700 ² Mcf @	0.6946 +	0.7287 =	1,4233 per Mcf	(T)
Over 15,000 ² Mcf @	0.4299 +	0.7287 =	1,1586 per Mcf	(T)
b) High Load Factor Firm Service (HLF) ³				(T)
Demand @	\$0.0000 +	4.2809 =	\$4,2809 per Mcf of daily contract demand	(T)
First 300 ² Mcf @	\$1,2000 +	\$0.1738 =	\$1,3738 per Mcf	(T)
Next 14,700 ² Mcf @	0.6946 +	0.1738 =	0,8684 per Mcf	(T)
Over 15,000 ² Mcf @	0.4299 +	0.1738 =	0,6037 per Mcf	(T)
c) Interruptible Service				(T)
First 15,000 ² Mcf @	\$0.5300 +	\$0.2062 =	\$0,7362 per Mcf	(R)
All over 15,000 ² Mcf @	0.3301 +	0.2062 =	0,5363 per Mcf	(R)

Carriage Service³

Firm Service (T-4)	Distribution Charge	Non-Commodity	Transportation Charge	(T)
a) First 300 ² Mcf @	\$1,2000 +	\$0.0000 =	\$1,2000 per Mcf	(T)
Next 14,700 ² Mcf @	0.6946 +	0.0000 =	0,6946 per Mcf	(T)
Over 15,000 ² Mcf @	0.4299 +	0.0000 =	0,4299 per Mcf	(T)
b) Interruptible Service (T-3)				(T)
First 15,000 ² Mcf @	\$0.5300 +	\$0.0000 =	\$0,5300 per Mcf	(R)
All over 15,000 ² Mcf @	0.3301 +	0.0000 =	0,3301 per Mcf	(R)

¹ Includes standby sales service under corresponding sales rates.
² All gas consumed by the customer (sales and transportation; firm, high load factor, interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.
³ Excludes standby sales service.

ISSUED: June 23, 1999 EFFECTIVE: July 24, 1999
ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service
Rate G-1

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company.

3. Net Monthly Rate

- a) Base Charge:
\$ 5.10 per meter for residential service
\$13.60 per meter for non-residential service
- b) Commodity Charge:
First¹ 300 Mcf @ \$4.946 per 1,000 cubic feet
Next¹ 14,700 Mcf @ 3.9916 per 1,000 cubic feet
Over 15,000 Mcf @ 3.8416 per 1,000 cubic feet
- c) Gas Cost Adjustment (GCA) Rider

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: October 2, 1995

EFFECTIVE: March 1, 1996

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Dee Allen Ewertt* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service
Rate G-1

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the Company.

3. Net Monthly Rate

- a) Base Charge:
\$ 9.00 per meter for residential service
\$24.00 per meter for non-residential service
- b) Distribution Charge:
First¹ 300 Mcf @ \$1.2000 per 1,000 cubic feet
Next¹ 14,700 Mcf @ 0.6946 per 1,000 cubic feet
Over 15,000 Mcf @ 0.4299 per 1,000 cubic feet
- c) Weather Normalization Adjustment
- d) Gas Cost Adjustment (GCA) Rider
- e) Margin Loss Recovery Rider

¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service
Rate G-1

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Commodity Charge, and adjustments under the Gas Cost Adjustment (GCA) rider.

5. Minimum Monthly Bill

a) The Base Charge plus any High Load Factor (HLF) demand charge.

b) In addition to the minimum monthly charge, customers assigned seasonal volumes under the Company's Curtailment Plan will be billed a minimum seasonal charge equal to 80% of their Adjusted Seasonal Volumes times the last step in the rate.

c) The minimum bill requirements will be adjusted to make allowance for any time that gas was not available, and for any causes due to force majeure, which includes acts of God, strikes, lockouts, civil commotion, riots and fires. Voluntary reductions in a customer's base period volumes for a season will be accepted upon application by the customer no later than 30 days prior to the beginning of the season in which the reduction is desired. The reduction will be eliminated for the following season unless a continuance of the reduction is requested by the customer in writing 30 days before the beginning of the next season.

To the extent that a voluntary reduction for a winter season is continued in the following winter season the reduction will be made permanent for winter seasons.

To the extent that a voluntary reduction for a summer season is continued in the following summer season the reduction will be made permanent for summer seasons.

6. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995)

ISSUED BY: *Shirley Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service
Rate G-1

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Distribution Charge, the Gas Cost Adjustment (GCA) Rider, and other riders applicable by class of service. (T)

5. Minimum Monthly Bill

The Base Charge plus any High Load Factor (HLF) demand charge, if applicable. (T,D)

6. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 13
(First Substitute)
Cancelling
P.S.C. No. 19
First Revised SHEET No. 3
Original SHEET No. 3A

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service
Rate G-1

(T)

7. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

8. Rules and Regulations

Service furnished under this schedule is subject to the Company's Rules and Regulations and to all applicable rate and rider schedules.

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 13
Cancelling
Original SHEET No. 13
(First Substitute)

WESTERN KENTUCKY GAS COMPANY

General Firm Sales Service
Rate G-1

7. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for services rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

8. Premises Charge

New residential service connections on and after January 1, 2001 hereunder are subject to the Premises Charge described on Tariff Sheet No. 67.

9. Rules and Regulations

Service furnished under this schedule is subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

(N)

(T)

ISSUED: September 4, 1992

EFFECTIVE: September 13, 1990

(Issued by Authority of an Order of the Public Service Commission in Case No. 90-013 dated September 13, 1990)

ISSUED BY: *May S. Lark*

Vice President - Rates & Regulatory Affairs

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service	
Rate G-2	
1. <u>Applicable</u>	Entire Service Area of the Company. (See list of towns - Sheet No. 3)
2. <u>Availability of Service</u>	<p>a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier.</p> <p>b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgment, requires and justifies such combination service.</p> <p>c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.</p>
3. <u>Delivery Volumes</u>	<p>a) The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis and shall be subject to revision in accordance with the Company's approved curtailment plan.</p>

ISSUED: October 2, 1995
EFFECTIVE: November 1, 1995
(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995)
ISSUED BY: *Lee Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service	
Rate G-2	
1. <u>Applicable</u>	Entire Service Area of the Company. (See list of towns - Sheet No. 3)
2. <u>Availability of Service</u>	<p>a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from the existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier.</p> <p>b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgement, requires and justifies such combination service.</p> <p>c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.</p>
3. <u>Delivery Volumes</u>	<p>a) The volume of gas to be sold and purchased under this rate schedule shall be set forth in a written contract, specifying a maximum daily interruptible sales service volume and shall be subject to revision in accordance with the Company's approved curtailment plan.</p>

ISSUED: June 23, 1999
EFFECTIVE: July 24, 1999
ISSUED BY: William J. Senter
Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service Rate G-2

- b) High Priority Service
The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.
- c) Interruptible Service
The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.
- d) Revision of Delivery Volumes
The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

- a) Base Charge: \$150.00 per delivery point per month.
Minimum Charge: The Base Charge plus any Transportation Administration Fee and EFM facilities charge.
- b) Commodity Charge:

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995

ISSUED BY: *Lee Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service Rate G-2

- b) High Priority Service
The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.
- c) Interruptible Service
The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.
- d) Revision of Delivery Volumes
The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

- a) Base Charge: \$250.00 per delivery point per month.
Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge.
- b) Distribution Charge:

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service Rate G-2

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First 15,000 Mcf @ \$ 3.1449 per 1,000 cubic feet
Over 15,000 Mcf @ 2.9949 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider

d) Minimum Bill

A minimum seasonal bill shall apply and shall be computed as follows:

- 1) The minimum summer seasonal bill shall apply to the period April 1, through October 31.
- 2) The minimum winter seasonal bill shall apply to the period November 1, through March 31.
- 3) The minimum seasonal bill shall be calculated as the product of 80% of the adjusted seasonal volumes times the rate per Mcf in effect on the last day of the season.
- 4) Any billing for a deficiency under the seasonal minimum bill shall be made within 60 days of the end of the month of the season and shall be due and payable on or before the 20th of the following month.

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995)

ISSUED BY: *Lee Allen Ewertt* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service Rate G-2

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First 15,000 Mcf \$0.5300 per 1,000 cubic feet
Over 15,000 Mcf 0.3301 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider

d) Margin Loss Recovery Rider

¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 18
Cancelling
P.S.C. No. 19
First Revised SHEET No. 7

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

(T)

5) The minimum bill requirement will be adjusted to make allowance for any time that gas was not available, and for any causes due to force majeure, which includes acts of God, strikes, lockouts, civil commotion, riots and fires. Voluntary reductions in a customer's base period volumes for a season will be accepted upon application by the customer no later than 30 days prior to the beginning of the season in which the reduction is desired. The reduction will be eliminated for the following season unless a continuance of the reduction is requested by the customer in writing 30 days before the beginning of the next season.

To the extent that a voluntary reduction for a winter season is continued in the following winter season the reduction will be made permanent for winter seasons.

To the extent that a voluntary reduction for a summer season is continued in the following summer season the reduction will be made permanent for summer seasons.

5. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

6. Penalty for Unauthorized Overruns

a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its daily contract demand or a quantity in excess of any temporary authorization whether a Curtailment Order is in effect or not, the customer shall pay for the unauthorized gas so used at the rate of \$15.00 per Mcf. Billing of this penalty shall be made within 90 days of the date of violation and shall be due and payable within 20 days of billing.

ISSUED: September 4, 1992

EFFECTIVE: September 13, 1990

(Issued by Authority of an Order of the Public Service Commission in Case No. 90-013 dated September 13, 1990)

ISSUED BY: *Mary S. Leath* Vice President - Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 18
Cancelling
Original SHEET No. 18

Proposed

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service

Rate G-2

(D)

(T)

5. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

6. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 19
Cancelling
P.S.C. No. 19
First Revised SHEET No. 8

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service
Rate G-2

(1)

7. Curtailment
- b) If at the end of any seasonal period a buyer exceeds its Adjusted Seasonal Volumes for that period the Buyer shall pay a penalty as described in Section 33 of the Company's Rules and Regulations.
 - c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.
7. Curtailment
- a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.
- b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

ISSUED: September 4, 1992

EFFECTIVE: September 13, 1990

(Issued by Authority of an Order of the Public Service Commission in Case No. 90-013 dated September 13, 1990)

ISSUED BY: *Mary S. Leath* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 19
Cancelling
Original SHEET No. 19

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service
Rate G-2

(D)
(F)

7. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.), and for any other necessary or expedient reason at the discretion of the Company.

8. Penalty for Unauthorized Overruns

- a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.
- b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.
- c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

(N)

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 20
(First Substitute)
Cancelling
P.S.C. No. 19
First Revised SHEET No. 9

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service
Rate G-2

(1)

8. Special Provisions

- a) A written contract with a minimum term of one year shall be required.
- b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts thereunder.
- c) No gas delivered under this rate schedule and applicable contract shall be available for resale.

9. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 20
Cancelling
Original SHEET No. 20
(First Substitute)

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service
Rate G-2

9. Special Provisions

- a) A written contract with a minimum term of one year shall be required.
- b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts thereunder.
- c) No gas delivered under this rate schedule and applicable contract shall be available for resale.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

ISSUED: September 4, 1992

EFFECTIVE: September 13, 1990

(Issued by Authority of an Order of the Public Service Commission in Case No. 90-013 dated September 13, 1990)

ISSUED BY:

May S. Lark

Vice President - Rates & Regulatory Affairs

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present
WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.

3. Net Monthly Rate

a) Base Charge:

LVS-1 Service \$ 13.60 per Meter
LVS-2 Service 150.00 per Meter
Combined Service 150.00 per Meter

b) Simple Margin for LVS-1 Service

First¹ 300 Mcf @ \$ 1.0615 per Mcf
Next¹ 14,700 Mcf @ 0.5585 per Mcf
Over 15,000 Mcf @ 0.4085 per Mcf

c) Simple Margin for LVS-2 Service

First¹ 15,000 Mcf @ \$ 0.4936 per Mcf
Over 15,000 Mcf @ 0.3436 per Mcf

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: October 2, 1995

EFFECTIVE: March 1, 1996

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Lee Allen Smith* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the Company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.

3. Net Monthly Rate

a) Base Charge:

LVS-1 Service \$ 24.00 per Meter
LVS-2 Service 250.00 per Meter
Combined Service 250.00 per Meter

b) Distribution Charge for LVS-1 Service

First¹ 300 Mcf @ \$1.2000 per Mcf
Next¹ 14,700 Mcf @ 0.6946 per Mcf
Over 15,000 Mcf @ 0.4299 per Mcf

c) Distribution Charge for LVS-2 Service

First¹ 15,000 Mcf @ \$0.5300 per Mcf
Over 15,000 Mcf @ 0.3301 per Mcf

¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present
WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

- d) The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.
- f) The True-up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.
- g) Notice of the Weighted Average Commodity Gas Cost and True-up Adjustment will be filed with the Commission prior to billing.

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the High Load Factor demand charge, the Simple Margin, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-up Adjustment.

5. Minimum Monthly Bill

- a) The Base Charge and High Load Factor demand charge.
- b) In addition to the Base Charge, customers assigned seasonal volumes under the Company's Curtailment Plan will be billed a minimum seasonal charge equal to 80% of their Adjusted Seasonal Volumes times the following:

- 1) Last step of applicable Simple Margin,
- 2) Non-Commodity Components and
- 3) Weighted Average Commodity Gas Cost in effect at the time the minimum bill is assessed.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *John Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

- d) The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.
- f) The True-Up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.
- g) Notice of the Weighted Average Commodity Gas Cost and True-Up Adjustment will be filed with the Commission prior to billing.

h) Margin Loss Recovery Rider

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the High Load Factor demand charge, the Distribution Charge, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-Up Adjustment.

5. Minimum Monthly Bill

The Base Charge and High Load Factor demand charge, if applicable.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS - 1 (High Priority), LVS - 2 (Low Priority)

(H)
c) The minimum bill requirements will be adjusted to make allowance for any time that gas was not available, and for any causes due to force majeure, which includes acts of God, strikes, lockouts, civil commotion, riots and fires. Voluntary reductions in a customer's base period volumes for a season will be accepted upon application by the customer no later than 30 days prior to the beginning of the season in which the reduction is desired. The reduction will be eliminated for the following season unless a continuance of the reduction is requested by the customer in writing 30 days before the beginning of the next season.

To the extent that a voluntary reduction for a winter period is continued in the following winter period the reduction will be made permanent for winter periods.

To the extent that a voluntary reduction for a summer period is continued in the following summer period the reduction will be made permanent for summer periods.

6. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

7. Alternative Fuel Responsive Flex Provision (LVS - 2 Service Only)

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information and service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and evaluate the merit of the flex request.

Proposed

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

(D)
6. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

(T)
7. Alternative Fuel Responsive Flex Provision (LVS-2 Service Only)

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable distribution charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

(T)
Pursuant to this Section, the Company may flex the applicable Distribution Charge to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component and weighted average commodity gas cost of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: March 29, 1993

EFFECTIVE: December 22, 1993

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-558 dated December 22, 1993.)

ISSUED BY: *May S. Lovell* Vice President - Rates & Regulatory Affairs

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 24

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

Pursuant to this Section, the Company may flex the otherwise applicable rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component and weighted average commodity gas cost of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

8. Service Agreement

The Company will require a written contract for a minimum term of twelve months. Unless waived, the term of any such contract will begin on either November 1st or April 1st with a minimum of sixty (60) day prior notice by the customer. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting service of equal or higher priority customers in the area.

A customer with an unexpired contract for other services may subscribe to LVS service by contract amendment provided the contract, as amended, has a remaining term of at least twelve months.

The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis. The priority of contract volumes shall be subject to revision in accordance with the Company's approved curtailment plan.

The contract volumes (or service mix) shall be subject to revision by the Company as appropriate so as to coincide with the customer's normal operating conditions and actual load with consideration given to any reasonably anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

ISSUED: March 29, 1983

EFFECTIVE: December 22, 1983

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-558 dated December 22, 1983.)

ISSUED BY: *May S. Lovell* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 24
Cancelling
Original SHEET No. 24

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

8. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

9. Penalty for Unauthorized Overruns

a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.

b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

10. Service Agreement

The Company will require a written contract for a minimum term of twelve months. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting service of equal or higher priority customers in the area.

A customer with an unexpired contract for other services may subscribe to LVS service by contract amendment provided the contract, as amended, has a remaining term of at least twelve months.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis. The priority of contract volumes shall be subject to revision in accordance with the Company's approved curtailment plan.

The contract volumes (or service mix) shall be subject to revision by the Company as appropriate so as to coincide with the customer's normal operating conditions and actual load with consideration given to any reasonably anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

11. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

12. Exit Fee

When service under this schedule is discontinued, the customer is responsible for (or entitled to) an exit fee (or refund) equal to the lagging true-up adjustments related to the customer's service period.

13. Rules and Regulations

Service furnished under this schedule and applicable contracts are subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

ISSUED: June 23, 1999

ISSUED BY: William J. Senter

EFFECTIVE: July 24, 1999

ISSUED: March 29, 1993

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-558 dated December 22, 1993.)

ISSUED BY: *May S. Lovell* Vice President - Rates & Regulatory Affairs

EFFECTIVE: December 22, 1993

Present

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

9. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

10. Exit Fee

When service under this schedule is discontinued, the customer is responsible for (or entitled to) an exit fee (or refund) equal to the lagging true-up adjustments related to the customer's service period.

11. Rules and Regulations

Service furnished under this schedule and applicable contracts are subject to the Company's Rules and Regulations and to all applicable rate and rider schedules.

(N)

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Proposed

WESTERN KENTUCKY GAS COMPANY
Weather Normalization Adjustment Rider
WNA

(N)

1. Applicable

Applicable to Rate G-1 Sales Service, excluding industrial class only.

The distribution charge per Mcf for gas service as set forth in G-1 Sales Service shall be adjusted by an amount hereunder described as the Weather Normalization Adjustment (WNA). The WNA shall be applicable to Rate G-1 Sales Service, excluding Industrial Sales Service.

The WNA shall apply to all residential, commercial and public authority bills based on meters read during the months of November through April. The WNA shall increase or decrease accordingly by month. The WNA will not be billed to reflect meters read during the months of May through October. Customer base loads and heating sensitivity factors will be determined by class and computed annually.

2. Computation of Weather Normalization Adjustment

The WNA shall be computed using the following formula:

$$WNA_i = R_i \frac{(HSF_i (NDD - ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where:

i = any rate schedule or billing classification within a rate schedule that contains more than one billing classification

WNA_i = Weather Normalization Adjustment Factor for the i th rate schedule or classification expressed as a rate per Mcf

R_i = weighted average rate (distribution charge) of temperature sensitive sales for the i th schedule or classification

HSF_i = heat sensitive factor for the i th schedule or classification

NDD = normal billing cycle heating degree days

ADD = actual billing cycle heating degree days

BL_i = base load for the i th schedule or classification

ISSUED: June 23, 1999 EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Reserved for Future Use

EFFECTIVE: December 20, 1998

ISSUED: November 19, 1998

Vice President - Rates & Regulatory Affairs

ISSUED BY: William J. Senter

Proposed

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment
Rider GCA

1. Applicable

Gas Tariffs in effect for the entire Service Area of the Company as designated in the particular tariff.

2. Gas Cost Adjustment (GCA)

The Company shall file a Monthly Report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) at least thirty (30) days prior to the beginning of each month. The GCA shall become effective for meter readings on and after the first day of the month.

3. Determination of GCA

The monthly amount computed under each of the rate schedules to which this GCA is applicable shall be increased or decreased at a rate per Mcf calculated for each billing month in accordance with the following formula as applicable to each rate class:

$$GCA = EGC + CF + RF$$

Where:

EGC - is the weighted average Expected Gas Cost per Mcf of gas supply which is reasonably expected to be experienced during the month the GCA will be applied for billings.

(f.b)

EFFECTIVE: July 24, 1999

ISSUED: June 23, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment
Rider GCA

1. Applicable

Gas Tariffs in effect for the entire Service Area of the Company as designated in the particular tariff.

2. Gas Cost Adjustment (GCA)

The Company shall file a Monthly Report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) at least thirty (30) days prior to the beginning of each month. The GCA shall become effective for meter readings on and after the first day of the month.

3. Determination of GCA

The monthly amount computed under each of the rate schedules to which this GCA is applicable shall be increased or decreased at a rate per Mcf calculated for each billing month in accordance with the following formula as applicable to each rate class:

$$GCA = (EGC - BCOG) + CF + RF$$

where:

EGC - is the weighted average Expected Gas Cost per Mcf of gas supply which is reasonably expected to be experienced during the month the GCA will be applied for billings.

(c)

EFFECTIVE: December 22, 1993

ISSUED: March 29, 1993

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-556 dated December 22, 1993.)

ISSUED BY: *Mary S. Lovell*

Vice President - Rates & Regulatory Affairs

Present
WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment
Rider GCA

EGC is composed of the following:

- 1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a commodity basis.
- 2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a non-commodity basis.
- 3) The cost of other gas sources for system supply (no-notice supply, Company storage withdrawals, etc.).

Less

- 4) The cost of gas purchases expected to be injected into underground storage. (T)
- 5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.
- 6) Projected recovery of non-commodity and commodity costs from LVS-1 and LVS-2 transactions. (T)
- 7) The cost of Company-use volumes.
- 8) Projected recovery of non-commodity costs from High Load Factor (HLF) demand charges. (R)

BCOG - is the Base Cost of Gas per 1,000 cubic feet (Mcf):

- 1) \$ 3.4331 for General Sales Service (G-1) (R)
- 2) \$ 2.6513 for Interruptible Sales Service (G-2) (R)

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.

ISSUED BY: *Lee Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment
Rider GCA

EGC is composed of the following:

- 1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a commodity basis.
- 2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a non-commodity basis.
- 3) The cost of other gas sources for system supply (no-notice supply, Company storage, withdrawals, etc.).

Less

- 4) The cost of gas purchases expected to be injected into underground storage.
- 5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.
- 6) Projected recovery of non-commodity and commodity costs from LVS-1 and LVS-2 transactions.
- 7) The cost of Company-use volumes.
- 8) Projected recovery of non-commodity costs from High Load Factor (HLF) demand charges. (D)

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20
Original SHEET No. 29L

WESTERN KENTUCKY **Proposed** COMPANY

Margin Loss Recovery Rider
MLR

(N)

Intent

This Margin Loss Recovery Rider is intended to authorize the Company to recover 90% of distribution charge losses that result from (1) discounts pursuant to the Alternate Fuel Responsive Flex Provision, or, (2) special contracts approved by the Public Service Commission of Kentucky.

Calculation of the Margin Loss Recovery Factor

The Margin Loss Recovery Factor will be calculated in accordance with the following formula:

$$MLR = \frac{(NGPM - AGPM) \times .9}{S}$$

Where:

MLR is the Margin Loss Recovery Factor

NGPM is the normally applicable distribution charges

AGPM is the actual distribution charges under Flex Sales or Transportation transactions, or, as stated in the special contract

S is the expected sales volumes as used in the Correcting Factor of the Gas Cost Adjustment Rider

Filing with the Public Service Commission of Kentucky

The MLR shall be filed every March and September, to become effective in April and October, respectively. The March filing shall update the MLR for the six months ended December period while the September filing shall update the MLR for the six months ended June period.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism
DSM

(N)

I. Applicable

Applicable to Rate G-1 Sales Service, residential class only.

The monthly Distribution Charge under Residential Rate G-1 Sales Service, shall be increased or decreased annually beginning January 2000 by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula:

$$DSMRC = DCRC + DCRP + DBA$$

Where:

DCRC = DSM Cost Recovery-Current. The DCRC shall include all projected costs for the next twelve-month period. These costs shall be limited to expected payments to program implementation contractors over that period, as well as any costs incurred by or on behalf of the DSM collaborative process. These costs would be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DCRC.

DCRP = DSM Cost Recovery-Pilot. The DCRP shall include all costs associated with the implementation of the DSM Pilot program. These costs include payments to implementation contractors, as well as costs incurred on behalf of the collaborative process, including consultants. These costs shall be amortized over a three-year period beginning January 2000 through December 2002. The costs to be amortized over the upcoming twelve-month period shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DCRP.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Original SHEET No. 30B

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism DSM

(8)

DBA = DSM Balance Adjustment. The DBA shall be calculated on a calendar year basis and be used to reconcile the difference between the amount of revenues actually billed through the DCRC, DCRP and previous applications of the DBA, and the revenues which should have been billed.

The DBA for the upcoming twelve-month period shall be calculated as the sum of the balance adjustments for the DCRC, DCRP and DBA. For the DCRC, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DCRC unit charge and the actual cost of the DSM Program during the same twelve-month period.

For the DCRP, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DCRP unit charge and the actual cost of the DSM pilot program as amortized at no interest over three years.

For the DBA, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DBA unit charge and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period. The balance adjustments plus interest shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DBA.

The Company will file modifications to the DSMRC on an annual basis at least two months prior to the beginning of the effective upcoming twelve-month period for billing. This annual filing shall include detailed calculations of the DCRC, the DCRP, and the DBA, as well as data on the total cost of the DSM Program over the twelve-month period.

ISSUED: June 23, 1999

ISSUED BY: William J. Senter

EFFECTIVE: July 24, 1999

Vice President - Rates & Regulatory Affairs

Present

Proposed

FOR ENTIRE SERVICE AREA

P.S.C. NO. 20

Original SHEET No. 30C

WESTERN KENTUCKY GAS COMPANY

Demand-Side Management Cost Recovery Mechanism
DSM

(N)

DSM Cost Recovery Component (DSMRC):

DSM Cost Recovery – Current:	\$0.0155 per Mcf
DSM Cost Recovery – Pilot:	\$0.0225 per Mcf
DSM Balance Adjustment:	<u>\$0.0000 per Mcf</u>
DSMRC Residential Rate G-1	\$0.0380 per Mcf

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

Present

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Original SHEET No. 30D

WESTERN KENTUCKY GAS COMPANY

Gas Research Institute R & D Rider
GRI R & D Unit Charge

(N)

Application:

This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Carriage Service.

GRI R&D Unit Charge:

The intent of the Gas Research Institute R&D Unit Charge is to maintain the Company's level of contribution per Mcf as of December 31, 1998. The Unit Charge will be billed according to the transition schedule outlined in the pipelines' tariffs.

Waiver Provision:

The GRI R&D Unit Charge may be reduced or waived for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission.

Remittance of Funds:

All funds collected and this rider will be remitted to Gas Research Institute on a monthly basis. The amounts so remitted shall be reported to the Commission annually.

Reports to the Commission:

A statement setting forth the manner in which the funds remitted have been invested in research and development will be filed with the Commission annually.

Termination of this Rider: Participation in the GRI R&D funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company by filing a notice of rescission with the Commission.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

1. Applicable

Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).

2. Availability of Service

Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) Transportation Administration Fee - \$45.00 per customer per month

b) Simple Margin for High Priority Service

First ¹	300 Mcf	@	\$1.0615 per Mcf
Next	14,700 Mcf	@	0.5585 per Mcf
Over	15,000 Mcf	@	0.4085 per Mcf

c) Simple Margin for Low Priority Service

First ¹	15,000 Mcf	@	\$0.4936 per Mcf
Over	15,000 Mcf	@	0.3436 per Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: October 2, 1995

EFFECTIVE: March 1, 1996

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Lee Allen Ewert* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

1. Applicable

Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).

2. Availability of Service

Available to any customer with an expected consumption of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) Transportation Administration Fee - \$50.00 per customer per month

b) Distribution Charge for High Priority Service

First ¹	300 Mcf	@	\$1.2000 per Mcf
Next	14,700 Mcf	@	0.6946 per Mcf
Over	15,000 Mcf	@	0.4299 per Mcf

c) Distribution Charge for Low Priority Service

First ¹	15,000 Mcf	@	\$0.5300 per Mcf
Over	15,000 Mcf	@	0.3301 per Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Second Revised SHEET No. 35
Cancelling
First Revised SHEET No. 35

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

4. Net Monthly Bill

The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Gross Margin (Simple margin plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge under Rates G-1 and G-2.

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Lee Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Third Revised Sheet No. 35
Cancelling
Second Revised Sheet No. 35

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

4. Net Monthly Bill

The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Transportation Charge (Distribution Charge plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge under Rates G-1 and G-2.

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The Level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Second Revised SHEET No. 36
Cancelling
First Revised SHEET No. 36

WESTERN KENTUCKY GAS COMPANY

General Transportation Service Rate T-2

b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to a daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communication support services related to the EFM equipment. Provided, however, EFM equipment is not required for customers whose contractual requirements with the Company are less than 300 MCF/Day. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No.51).

8. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.
- c) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum contracted volumes.
- d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.
- e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Dee Allen Swett* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Third Revised SHEET No. 36
Cancelling
Second Revised SHEET No. 36

WESTERN KENTUCKY GAS COMPANY

General Transportation Service Rate T-2

b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 300 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

8. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.
- c) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum contracted volumes.
- d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.
- e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

9. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: June 23, 1999

ISSUED BY: William J. Senter

EFFECTIVE: July 24, 1999

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

9. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: March 29, 1993

ISSUED BY: *Mary S. Lovell*

EFFECTIVE: December 22, 1993

Vice President - Rates & Regulatory Affairs

For Entire Service Area
P.S.C. No. 20
Third Revised SHEET No. 38
Cancelling
Second Revised SHEET No. 38

Present

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

10. Miscellaneous - GF Provision

The Volumetric criteria in Section 2. "Availability of Service", above is waived for customers who were subscribed to T-2 service on December 22, 1993. As to each such customer, this waiver provision will expire upon the effective date of any new, Commission approved gas transportation service for which that customer qualifies.

(1)

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995)

ISSUED BY: *Lee Allen Evers* Vice President - Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Fourth Revised Sheet No. 38
Cancelling
Third Revised Sheet No. 38

Proposed

WESTERN KENTUCKY GAS COMPANY

Reserved for Future Use

(D)

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Second Revised SHEET No. 40
Cancelling
First Revised SHEET No. 40

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. Availability of Service

a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.

b) The Company may decline to initiate service to a customer under this tariff or to allow a customer to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- a) Base Charge - \$150.00 per delivery point
- b) Transportation Administration Fee - 45.00 per customer per month

c) Simple Margin for Interruptible Service

First ¹	15,000 Mcf	@	\$0.4936 per Mcf
Over	15,000 Mcf	@	0.3436 per Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Lee Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Third Revised SHEET No. 40
Cancelling
Second Revised SHEET No. 40

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. Availability of Service

a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.

b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- a) Base Charge - \$250.00 per delivery point
- b) Transportation Administration Fee - 50.00 per customer per month

c) Distribution Charge for Interruptible Service

First	15,000 Mcf	@	\$0.5300 per Mcf
Over	15,000 Mcf	@	0.3301 per Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

For Entire Service Area
P.S.C. No. 20
Second Revised SHEET No. 41
Cancelling
First Revised SHEET No. 41

Interruptible Carriage Service Rate T-3

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Simple Margin and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Lee Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Third Revised SHEET No. 41
Cancelling
Second Revised SHEET No. 41

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service Rate T-3

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U\%})] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.
- If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *David Allen Everett* Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U\%})] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present
WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

b) "Cash out" Method

Imbalance volumes	Cash-out Price
First ¹ 5% of MCF _{Customer}	@ 100% of Index Price ²
Next ¹ 5% of MCF _{Customer}	@ 90% of Index Price ²
Over ¹ 10% of MCF _{Customer}	@ 80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF_{Company}", on a monthly basis at 10%/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

(1)

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Shae Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

b) "Cash out" Method

Imbalance volumes	Cash-out Price
First 5% of MCF _{Customer}	@ 100% of Index Price ²
Next 5% of MCF _{Customer}	@ 90% of Index Price ²
Over 10% of MCF _{Customer}	@ 80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF_{Company}", on a monthly basis at 10%/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service Rate T-3

7. Curtailment

- a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.
- b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communication support services related to the EFM equipment. Provided, however, EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 MCF/day. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 51).

A written contract with maximum daily and monthly carriage volumes and with a minimum term of one year shall be required.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-0-10 dated October 20, 1995.)

ISSUED BY: *Shirley A. Blum-Curtett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service Rate T-3

7. Curtailment

- a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

- b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 MCF/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service Rate 1-3

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.
A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Alan Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service Rate T-3

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.
A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 44
Cancelling
Original SHEET No. 44
(First Substitute)

WESTERN KENTUCKY GAS COMPANY

Carriage Service
Rate T-3

8) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Second Revised SHEET No. 44
Cancelling
First Revised SHEET No. 44

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

g) The customer will be solely responsible to correct, any imbalances it has caused on the applicable pipeline's system.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

EFFECTIVE: December 22, 1993

ISSUED: March 29, 1993

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-559 dated December 22, 1993)

ISSUED BY: *May S. Lovell* Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 45

WESTERN KENTUCKY GAS COMPANY

Carriage Service
Rate T-3

11. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: March 29, 1993

EFFECTIVE: December 22, 1993

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-556 dated December 22, 1993)

ISSUED BY: *Maui S. Lovell* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 45
Cancelling
Original Sheet No. 45

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

11. Alternative Fuel Responsive Flex Provisions

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 46
Cancelling
Original SHEET No. 46

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service Rate T-4

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- Base Charge - \$150.00 per delivery point
- Transportation Administration Fee - 45.00 per customer per month

c) Simple Margin for Firm Service

First ¹	300 Mcf	@	\$1.0615 per Mcf
Next ¹	14,700 Mcf	@	0.5585 per Mcf
Over	15,000 Mcf	@	0.4085 per Mcf

- Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

- Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: October 2, 1995

EFFECTIVE: March 1, 1996

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Dee Ellen Ewert* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Second Revised SHEET No. 46
Cancelling
First Revised SHEET No. 46

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service Rate T-4

1. Applicable

Entire Service Area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- Base Charge - \$250.00 per delivery point
- Transportation Administration Fee - 50.00 per customer per month

c) Distribution Charge for Firm Service

First	300 Mcf	@	\$1.2000 per Mcf
Next	14,700 Mcf	@	0.6946 per Mcf
Over	15,000 Mcf	@	0.4299 per Mcf

- Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

- Electronic Flow Measurement ("EFM") facilities charges, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Simple Margin and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" -- The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Lee Allen Smith* Vice President - Rates & Regulatory Affairs

Proposed

Cancelling
Original SHEET No. 47

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" -- The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Scater

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

(M)

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-1). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *John Allen Swartz* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

(T)

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-1). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

(10)

b) "Cash out" Method

Imbalance volumes	Cash-out Price
First, 5% of MCF Customer	@ 100% of Index Price ²
Next, 5% of MCF Customer	@ 90% of Index Price ²
Over, 10% of MCF Customer	@ 80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company", on a monthly basis at 10¢/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Lee Allen Ewert* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

(11)

b) "Cash out" Method

Imbalance volumes	Cash-out Price
First, 5% of MCF Customer	@ 100% of Index Price ²
Next, 5% of MCF Customer	@ 90% of Index Price ²
Over, 10% of MCF Customer	@ 80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the pipeline(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

7. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Carriage Service Rate T-4. Electronic flow measurement ("EFM") equipment, acceptable to the Company, is required to be installed, maintained, and operated to obtain transportation service. The customer is responsible for providing the electric and communication support services related to the EFM equipment. Provided, however, EFM equipment is not required for customers whose requirements are less than 100 MCF/day. Customers required to install EFM may elect the optional monthly EFM facilities charge (First Revised Sheet No. 51).

A written contract with maximum daily and monthly carriage volumes and with a minimum term of one year shall be required.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ISSUED: October 2, 1995

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ISSUED BY: *Lawrence E. Smith* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

7. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Carriage Service Rate T-4. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 51). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Carriage Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.
 - A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.
- g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Lee Ollivier Everett* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Carriage Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.
 - A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.
- g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

11. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: October 2, 1995

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ISSUED BY: *Lee Allen Swartz* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Firm Carriage Service
Rate T-4

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

11. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative-fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Original Sheet No. 49

WESTERN KENTUCKY GAS COMPANY

<p>Reserved for Future Use</p>

ISSUED: November 19, 1998

EFFECTIVE: December 20, 1998

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised Sheet No. 49
Cancelling
Original Sheet No. 49

WESTERN KENTUCKY GAS COMPANY

(N)

Alternate Receipt Point Service
Rate T-5

1. Applicable

Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's transportation (Rate T-2) or carriage service (Rate T-3 or Rate T-4) requirements.

2. Availability of Service

- a) Available, subject to restrictions noted below, to any customer utilizing transportation or carriage services, on an individual service at the same premise, who has purchased its own supply of natural gas and requests delivery to the Company at a receipt point other than the Company's interconnection with the pipeline, or supplier immediately upstream of customer's premises.
- b) The alternate receipt point through which service is requested must be physically accessible via the Company's existing pipeline system upstream of the delivery point to the customer's facilities.
- c) The Company, in its sole judgment, shall determine the portions of its system to which access may be granted to a specific Alternate Receipt Point.
- d) Access to certain alternate receipt points may be limited or restricted altogether by the Company, in its sole judgment.
- e) Availability of service is contingent upon the Company's sole determination that such service is available through existing facilities.
- f) The Company may decline to initiate service to a customer under this tariff, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, and in addition to the charges applicable to Customer associated with their transportation (Rate T-2) or carriage service (Rate T-3 or Rate T-4) requirements, the following supplemental distribution charge will be applied to all volumes received and transported from the Alternate Receipt Point:

- a) Distribution Charge @ \$0.10 per Mcf

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EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Original Sheet No. 50

WESTERN KENTUCKY GAS COMPANY

Reserved for Future Use

ISSUED: November 19, 1998

ISSUED BY: William J. Senter

EFFECTIVE: December 20, 1998

Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised Sheet No. 50
Cancelling
Original Sheet No. 50

WESTERN KENTUCKY GAS COMPANY

(N)
Alternate Receipt Point Service
Rate T-5
<p>4. Imbalances</p> <p>a) Volumes delivered by the Company under the Alternate Receipt Point service may be subjected to imbalance restrictions additional to those specified in the transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs.</p> <p>b) Banking or Parking allowances for volumes delivered under the Alternate Receipt Point service may be limited or restricted altogether, at the Company's sole judgment.</p>
<p>5. Terms and Conditions</p> <p>a) Volumes under the Alternate Receipt Point service are received for redelivery by the Company on a strictly interruptible basis.</p> <p>b) The Company is not responsible for any costs incurred by the customer in its arrangement for gas supply or capacity to the Alternate Receipt Point.</p> <p>c) Specific details relating to volume, receipt point(s) and similar matters shall be covered by a separate written contract or amendment with the customer.</p> <p>d) Other than provisions referenced herein, or as more specifically set forth in the contract or amendment with the customer, all provisions of the customer's transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs shall apply.</p>

ISSUED: June 23, 1999

ISSUED BY: William J. Senter

EFFECTIVE: July 24, 1999

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 51
Cancelling
(First Substitute) Original SHEET No. 51

WESTERN KENTUCKY GAS COMPANY

Special Charges

Turn on new service with meter set *	\$28.00	(1)
Turn on service (shut-in test required) *	18.00	(1)
Turn on service (meter read only required) *	10.00	(1)
Reconnect delinquent service	no charge	
Reconnect service temporarily off at customers request	25.00	(1)
Termination or field collection charge	5.00	(1)
Special meter reading charge	no charge	
Meter test charge	20.00	(1)
Returned check charge	15.00	(1)
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment - - Class 1 EFM equipment (less than \$7,500, including installation cost)	105.00 per mo.	(N)
- Class 2 EFM equipment (more than \$7,500, including installation cost)	210.00 per mo.	(N)

* Waived for qualified low income applicants ("LIHEAP participants")

ISSUED: October 2, 1995

EFFECTIVE: November 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995.)

ISSUED BY: *Dee Allen Everett* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Second Revised SHEET No. 51
Cancelling
First Revised SHEET No. 51

WESTERN KENTUCKY GAS COMPANY

Special Charges

Service	After Hours	Regular	
Meter Set*	\$35.00	\$28.00	(N)
Turn-on*	25.00	20.00	(N.I)
Read	14.00	12.00	(N)
Reconnect Delinquent Service	40.00	34.00	(N.I)
Seasonal Charge	73.00	65.00	(N)
Special Meter Reading Charge	N/A	No Charge	
Meter Test Charge	N/A	20.00	(1)
Returned Check Charge	N/A	23.00	(1)
Late Payment Charge (Rate G-1 only)		5%	(N)
Premises Charge for new residential service connections**		13.05 per mo.	(N)
- Requiring main extension		11.25 per mo.	
- Not requiring main extension			
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment			
- Class 1 EFM equipment (less than \$7,500, including installation costs)		105.00 per mo.	(N)
- Class 2 EFM equipment (more than \$7,500, including installation costs)		245.00 per mo.	(N)
* Waived for qualified low income applicants ("LIHEAP participants")			
** Waived for qualified low income applicants ("LIHEAP participants") and HUD-certified low income new housing			

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. NO. 20
Original SHEET No. 65
Cancelling
P.S.C. NO. 19
Original SHEET Nos. 1-R thru 19-R
First Revised SHEET Nos. 2-R, 15-R, 18-R

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(G, T)

- e) The Company will issue to every customer from whom a deposit is collected a receipt of deposit. The receipt will show the name of the customer, location of the service or customer account number, date, and amount of deposit. If the deposit amount changes, the Company will issue a new receipt of deposit to the customer.
- f) Except for Winter Hardship Reconnections (as provided by Section 12 of these Rules and Regulations) customer service may be refused or discontinued if payment of requested deposit is not made.
- g) Interest will accrue on all deposits at a rate prescribed by law, beginning on the date of deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the Company will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit, the payment or credit shall be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

When a deposit is required from a customer it will be held for twelve (12) months, or until service is discontinued, unless one of the following has occurred: (a) service has been terminated for non-payment of services or (b) the customer has been late on two (2) or more payments in the last twelve (12) months.

6. Special Charges

The Company may make special nonrecurring charges, approved by the Commission, to recover customer-specific costs incurred to benefit specific customers. Listed below are the special charges included in the company's tariff and a short description of the related service performed or action taken by the Company. See the Special Charges, Sheet No. 51 for the amount of the charge.

- a) Turn-on charge. A turn-on charge may be assessed for a new service turn on, seasonal turn on, or temporary service. A turn-on charge shall not be made for initial installation of service where a tap fee is applicable.

ISSUED: September 4, 1992

EFFECTIVE: March 4, 1993

ISSUED BY:

Mary S. Lamb

Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 65
Cancelling
Original Sheet No. 65

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

- e) The Company will issue to every customer from whom a deposit is collected a receipt of deposit. The receipt will show the name of the customer, location of the service or customer account number, date, and amount of deposit. If the deposit amount changes, the Company will issue a new receipt of deposit to the customer.
- f) Except for Winter Hardship Reconnections (as provided by Section 12 of these Rules and Regulations) customer service may be refused or discontinued if payment of requested deposit is not made.
- g) Interest will accrue on all deposits at a rate prescribed by law, beginning on the date of deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the Company will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit, the payment or credit shall be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

When a deposit is required from a customer it will be held for twelve (12) months, or until service is discontinued, unless one of the following has occurred: (a) service has been terminated for non-payment of services or (b) the customer has been late on two (2) or more payments in the last twelve (12) months.

6. Special Charges

The Company may make special nonrecurring charges, approved by the Commission, to recover customer-specific costs incurred to benefit specific customers. Listed below are the special charges included in the Company's tariff and a short description of the related service performed or action taken by the Company. See the Special Charges, Sheet No. 51 for the amount of the charge.

- a) Meter Set. A meter set charge may be assessed for a new service or re-set, or temporary service.
- b) Turn On. A turn on charge may be assessed for connecting service which has been terminated or idle at a given premises for reasons other than nonpayment of bills or violation of the Company or Commission regulations.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. NO. 20
Original SHEET No. 66
(First Substitute)
Cancelling
P.S.C. NO. 19
Original SHEET Nos. 1-R thru 19-R
First Revised SHEET Nos. 2-R, 15-R, 18-R

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C, T)

- b) Reconnect charge. A reconnect charge may be assessed to reconnect a service which has been terminated for nonpayment of bills or violation of the Company rules or Commission regulations. Customers qualifying for service reconnect under Section 12 of these Rules and Regulations shall be exempt from reconnect charges. A reconnect charge may be assessed when the customer's service has been disconnected at his request and at any time subsequently within twelve (12) months is reconnected at the same or any other premises.
- c) Termination or field collection charge. A charge may be assessed when a Company representative makes a trip to the premises of a customer for the purpose of terminating service. The charge may be assessed if the Company representative actually terminates service or if, in the course of the trip, the customer pays the delinquent bill to avoid termination. The charge may also be made if the Company representative agrees to delay termination based on the customer's agreement to pay the delinquent bill by a specific date. The Company may make a field collection charge only once in any billing period.
- d) Special meter reading charge. This charge may be assessed when a customer requests that a meter be reread and the second reading shows that the original reading was correct. No charge shall be assessed if the original reading was incorrect. This charge may also be assessed when a customer who reads his own meter fails to read the meter for three (3) consecutive months, and it is necessary for a Company representative to make a trip to read the meter.
(No such charge may be assessed until the amount of the charge is approved or otherwise accepted by the Commission.)
- e) Meter resetting charge. A charge may be assessed for resetting a meter if the meter has been removed at the customer's request.
(No such charge may be assessed until the amount of the charge is approved or otherwise accepted by the Commission.)
- f) Meter test charge. This charge may be assessed if a customer requests the meter be tested pursuant to Section 13 and 807 KAR 5:006 section 18, and the tests show the meter is not more than two (2) percent fast. No charge shall be made if the test shows the meter is more than two (2) percent fast.

ISSUED: September 4, 1992

EFFECTIVE: March 4, 1993

ISSUED BY: *May S. Ladd*

Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 66
Cancelling
Original SHEET No. 66

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(N)

c) Read. A read charge may be assessed for the establishment of new service where only a meter read is required.

(T)

d) Reconnect Delinquent Service. A reconnect delinquent service charge may be assessed to reconnect a service which has been terminated for nonpayment of bills or violation of the Company or Commission regulations. Customers qualifying for service reconnect under Section 12 of these Rules and Regulations shall be exempt from reconnect charges.

(N)

e) Seasonal Charge. A seasonal charge may be assessed when the customer's service has been disconnected at his request and at any time subsequently within (12) months is reconnected at the same or any other premises.

(N)

f) After Hours Charge. An additional charge shall be applied to any special service activity, including reconnects for delinquent service, initiated at the customer's request outside normal business hours such as at night, on weekends or holidays. The Company shall advise the customer of the applicable after hours charge upon initiation of the service request and offer the customer the alternative to perform the requested activity during normal business hours, including reconnects for delinquent service, as a means to avoid the after hours charge.

g) Special Meter Reading Charge. This charge may be assessed when a customer requests that a meter be reread and the second reading shows that the original reading was correct. No charge shall be assessed if the original reading was incorrect. This charge may also be assessed when a customer who reads his own meter fails to read the meter for three (3) consecutive months, and it is necessary for a Company representative to make a trip to read the meter.
(No such charge may be assessed until the amount of the charge is approved or otherwise accepted by the Commission.)

h) Meter Resetting Charge. A charge may be assessed for resetting a meter if the meter has been removed at the customer's request.

i) Meter Test Charge. This charge may be assessed if a customer requests the meter be tested pursuant to Section 13 and 807 KAR 5:006, section 18, and the tests show the meter is not more than two (2) percent fast. No charge shall be made if the test shows the meter is more than two (2) percent fast.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. NO. 20
Original SHEET No. 67
Cancelling
P.S.C. NO. 19
Original SHEET Nos. 1-R thru 19-R
First Revised SHEET Nos. 2-R, 15-R, 18-R

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C.T.)

- g) Returned check charge. A returned check charge may be assessed if a check accepted for payment of a Company bill is not honored by the customer's financial institution.
- h) Late payment penalty. A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received will first be applied to the bill for services rendered. Additional penalty charges will not be assessed on unpaid penalty charges.

7. Customer Complaints to the Company

Upon complaint to the Company by a customer at the Company's office, by telephone, or in writing the Company will make a prompt and complete investigation and advise the complainant of its findings. If a written complaint or a complaint made in person at the Company's office is not resolved, the Company will provide written notice to the complainant of his right to file a complaint with the Commission, and will provide him with the address and telephone number of the Commission. If a telephone complaint is not resolved, the Company will provide at least oral notice to the complainant of his right to file a complaint with the Commission and the address and telephone number of the Commission.

8. Bill Adjustments

- a) If upon periodic test, request test, or complaint test a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. The test will be made in accordance with Commission regulations applicable to the type of meter involved.

ISSUED: September 4, 1992

EFFECTIVE: March 4, 1993

ISSUED BY:

Mary S. Ladd

Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 67
Cancelling
Original SHEET No. 67

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(N)

- j) Returned Check Charge. A returned check charge may be assessed if a check accepted for payment of a Company bill is not honored by the customer's financial institution.
- k) Late Payment Charge. A late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received will first be applied to the bill for services rendered. Additional penalty charges will not be assessed on unpaid penalty charges.
- l) Premises Charge. A charge to recover Excess Investment associated with new residential service connections, along with carrying costs and related taxes. The following terms and conditions are applicable to the charge:
 - 1) Separate charges shall be computed and applied for those service connections requiring main extension and for those connections not requiring main extension.
 - 2) The charges are applicable to all new residential service connections, commencing with connections made on and after January 1, 2001.
 - 3) The charge shall be payable for 180 months and is applicable to the service address, regardless of changes in ownership, commencing with the first occupant of the address following service connection.
 - 4) Premises Charges shall not be applicable to HUD-certified low-income new housing or to LIHEAP-qualified customers at any service address.
 - 5) The Company shall update the amounts of the charges annually and, upon Commission approval, apply such new charges prospectively for new residential service connections in the ensuing year. If the amount of increase or decrease to the Premises Charge is less than 10%, the Company may waive implementation of such increase or decrease and charge the existing Premises Charge for new connections in the ensuing year.
 - 6) The Company shall file a report with the Commission annually, not later than 120 days after the close of the Company's fiscal year, listing the number and type of Premises Charges levied during the fiscal year and the financial accounting entries for the disposition of revenues, cost recovery, and taxes.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Original SHEET No. 67A

Proposed

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

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7. Customer Complaints to the Company

Upon complaint to the Company by a customer at the Company's office, by telephone, or in writing, the Company will make a prompt and complete investigation and advise the complainant of its findings. If a written complaint or a complaint made in person at the Company's office is not resolved, the Company will provide written notice to the complainant of his right to file a complaint with the Commission, and will provide him with the address and telephone number of the Commission. If a telephone complaint is not resolved, the Company will provide at least oral notice to the complainant of his right to file a complaint with the Commission and the address and telephone number of the Commission.

8. Bill Adjustments

- a) If upon periodic test, request test, or complaint test, a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. The test will be made in accordance with Commission regulations applicable to the type of meter involved.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. NO. 20
Original SHEET No. 78
Cancelling
P.S.C. NO. 19
Original SHEET Nos. 1-R thru 19-R
First Revised SHEET Nos. 2-R, 15-R, 16-R

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

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- e) The customer's service line extending from the outlet of the meter shall be installed and maintained by the customer at his expense.
- f) The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.
- g) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.

19. Owners Consent

In case the customer is not the owner of the premises where service is to be provided, it will be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in or on said premises all such piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.

The Company will not require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. The cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned according to Section 28 in these Rules and Regulations.

20. Customer's Equipment and Installation

- a) The customer shall furnish, install and maintain at his expense the necessary customer's service line extending from the Company's service connection at the curb or property line to the building or place of utilization of the gas.
- b) The installation of the customer's service line shall be made in accordance with the requirement of the constituted authorities and the Company's specifications covering location, installation, kind and size of pipe, type of pipe coating or wrapping and method of connecting the joints of pipe. The location shall be the point of easiest access to the Company from its facilities and the Company shall be consulted and its approval obtained before the installation is made.

ISSUED: September 4, 1992

EFFECTIVE: March 4, 1993

ISSUED BY: *Mary S. Lovell*

Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 78
Cancelling
Original SHEET No. 78

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C, 1)

- c) The customer's piping extending from the outlet of the meter shall be installed and maintained by the customer at his expense.
- f) The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.
- g) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.

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In case the customer is not the owner of the premises where service is to be provided, it will be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in or on said premises all such piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.

The Company will not require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. The cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned according to Section 28 in these Rules and Regulations.

20. Customer's Equipment and Installation

- a) The customer shall furnish, install and maintain at his expense the necessary customer's service line extending from the Company's service connection at the curb or property line to the building or place of utilization of the gas.
- b) The installation of the customer's service line shall be made in accordance with the requirement of the constituted authorities and the Company's specifications covering locations, installation, kind and size of pipe, type of pipe coating or wrapping, and method of connecting the joints of pipe. The location shall be the point of easiest access to the Company from its facilities and the Company shall be consulted and its approval obtained before the installation is made.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senier

Vice President - Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. NO. 20
Original SHEET No. 82
Cancelling
P.S.C. NO. 19
Original SHEET Nos. 1-R thru 19-R
First Revised SHEET Nos. 2-R, 15-R, 18-R

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

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27. Point of Delivery of Gas

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection into the customer's service line or pipe or at the outlet of the meter, whichever is nearest the delivery main of the Company.

28. Distribution Main Extensions

- a) The Company will extend without charge an existing distribution main one hundred (100) feet for each single customer provided the following criteria is met:
- 1) The existing main is of sufficient capacity to properly supply the additional customer(s);
 - 2) Provided that the customer(s) contracts to use gas on a continuous basis for one (1) year or more; and
 - 3) Provided the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.
- b) Whenever an extension exceeds one hundred (100) feet per customer, the Company will enter into an agreement with the customer(s) or subscriber(s). The agreement will provide for the extension on a cost per foot basis with the additional amount to be deposited with the Company by the customer(s) or subscriber(s). The agreement will contain provisions for a proportionate and equitable refund in the event other customers are connected to the extension within a ten (10) year period. Refunds shall be made only after the customer(s) has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension, to specify the pipe size and location of the extension, and to construct the extension in accordance with its standard practices. Title to all extensions covered by agreements shall be and remain in the Company and in no case shall the amount of any refunds exceed the original deposit. Any further or lateral extension shall be treated as a new and separate extension.

ISSUED: September 4, 1992

EFFECTIVE: March 4, 1993

ISSUED BY: *Mary S. Lovell* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
First Revised SHEET No. 82
Cancelling
Original SHEET No. 82

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(1)

27. Point of Delivery of Gas

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection in to the customer's service line or pipe or at the outlet of the meter, whichever is nearest the delivery main of the Company.

28. Distribution Main Extensions

- a) The Company will extend an existing distribution main up to one hundred (100) feet for each single customer provided the following criteria is met:
- 1) The existing main is of sufficient capacity to properly supply the additional customer(s);
 - 2) Provided that the customer(s) contracts to use gas on a continuous basis for one (1) year or more; and
 - 3) Provided the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.
- b) Whenever an extension exceeds one hundred (100) feet per customer, the Company will enter into an agreement with the customer(s) or subscriber(s). The agreement will provide for the extension on a cost per foot basis with the additional amount to be deposited with the Company by the customer(s) or subscriber(s). The agreement will contain provisions for a proportionate and equitable refund in the event other customers are connected to the extension within a ten (10) year period. Refunds shall be made only after the customer(s) has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension, to specify the pipe size and location of the extension, and to construct the extension in accordance with its standard practices. Title to all extensions covered by agreements shall be and remain in the Company and in no case shall the amount of any refunds exceed the original deposit. Any further or lateral extension shall be treated as a new and separate extension.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

33. Curtailment Order

In cases of impairment of gas supply or partial or total interruptions and when it appears that the Company, is or will be, unable to supply the requirements of all of its customers in any system or segment thereof, the Company shall curtail gas service to its customers in the manner set forth below.

- a) Definitions:
- Residential – Service to customers for residential purposes including housing complexes and apartments.
 - Commercial – Service to customers engaged primarily in the sale of goods or services including institutions and local and federal agencies for uses other than those involving manufacturing.
 - Industrial – Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power for sale.
 - Summer Period – The seven consecutive monthly billing periods of April through October.
 - Winter Period – The five consecutive monthly billing periods of November through March.
 - Base Period Volumes – Monthly base period volumes will be specified to each customer's contract with the Company.
 - Maximum Seasonal Volumes – Maximum Summer Period volumes shall be the assigned Base Period Volumes for the Summer Period; maximum Winter Period Volumes shall be the assigned Base Period volumes for the Winter Period.
 - Adjusted Seasonal Volumes – A customer's maximum seasonal volumes as adjusted from time to time to reflect curtailment in accordance with the Company's priorities of curtailment.

ISSUED: March 29, 1993

EFFECTIVE: December 22, 1993

(Issued by Authority of the Public Service Commission in Case No. 92-558 dated December 22, 1993)

ISSUED BY: *Mary S. Lovell* Vice President – Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

33. Curtailment Order

In cases of impairment of gas supply or distribution system capacity, or partial or total interruptions and when it appears that the Company is, or will be, unable to supply the requirements of all of its customers in any system or segment thereof, the Company shall curtail gas service to its customers in the manner set forth below.

- a) Definitions:
- Residential – Service to customers for residential purposes including housing complexes and apartments.
 - Commercial – Service to customers engaged primarily in the sale of goods or services including institutions and local and federal agencies for uses other than those involving manufacturing.
 - Industrial – Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power for sale.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Scater

Vice President – Rates & Regulatory Affairs

Present

For Entire Service Area
P.S.C. NO. 20
First Revised SHEET No. 86
Cancelling
Original SHEET No. 86

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C)

b) Priorities of Curtailment:

Sales Service

The Company may curtail or discontinue sales service in whole or in part on a daily, monthly or seasonal basis in any purchase zone in accordance with the following priorities, starting with Priority 8 and proceeding in descending numerical order.

High Priority

Priority 1. Residential, and services essential to the public health where no alternate fuel exists (Rate G-1).

Priority 2. Small commercials less than 50 Mcf per day (Rate G-1).

Priority 3. Large commercials over 50 Mcf per day not included under lower priorities (Rates G-1, LVS-1).

Priority 4. Industrials served under Rate G-1 or LVS-1.

Low Priority

Priority 5. Customers served under Rates G-2 or LVS-2 other than boilers included in Priority 6.

Priority 6. Boiler loads shall be curtailed in the following order (Rates G-2 or LVS-2):

a - Boilers over 3,000 Mcf per day.

b - Boilers between 1,500 Mcf and 3,000 Mcf per day.

c - Boilers between 300 Mcf and 1,500 Mcf per day.

Priority 7. Imbalance sales service under Rate T-3.

Priority 8. Flex sales transactions.

ISSUED: March 29, 1993

EFFECTIVE: December 22, 1993

(Issued by Authority of the Public Service Commission in Case No. 92-558 dated December 22, 1993)

ISSUED BY: *Max S. Lovell* Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 20
Second Revised SHEET No. 86
Cancelling
First Revised SHEET No. 86

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

(C)

b) Priorities of Curtailment:

Sales Service

The Company may curtail or discontinue sales service in whole or in part on a daily, monthly or seasonal basis in any purchase zone in accordance with the following priorities, starting with Priority 8 and proceeding in descending numerical order.

High Priority

Priority 1. Residential and services essential to the public health where no alternate fuel exists (Rate G-1)

Priority 2. Small commercials less than 50 Mcf per day (Rate G-1).

Priority 3. Large commercials over 50 Mcf per day not included under lower priorities (Rates G-1, LVS-1)

Priority 4. Industrials served under Rate G-1 or LVS-1.

Low Priority

Priority 5. Customers served under Rates G-2 or LVS-2 other than boilers included in Priority 6.

Priority 6. Boiler loads shall be curtailed in the following order (Rates G-2 or LVS-2):

A - Boilers over 3,000 Mcf per day.

B - Boilers between 1,500 Mcf and 3,000 Mcf per day.

C - Boilers between 300 Mcf and 1,500 Mcf per day.

Priority 7. Imbalance sales service under Rate T-3 and Rate T-4.

Priority 8. Flex sales transactions.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs

Present

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

c) Penalties:

In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its daily contract demand or a quantity in excess of any temporary authorization whether a Curtailment Order is in effect or not, the customer shall pay for the unauthorized gas so used at the rate of \$15.00 per Mcf. Billing of this penalty shall be made within 90 days of the date of violation and shall be due and payable within 20 days of billing.

If, at the end of any seasonal period, a Buyer exceeds its Adjusted Seasonal Volumes for that period, the Buyer shall pay a penalty of \$15 per Mcf for all volumes taken in excess of 102% of its adjusted seasonal volume. The penalty is to be in addition to the regular applicable rate, but no such penalty shall be payable for any season in which the excess volume is less than 100 Mcf. The Company, at its sole discretion, may reduce the Buyer's Adjusted Seasonal Volume in the succeeding seasonal period by an amount equal to the excess volume taken.

The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

d) Discontinuance of Service

The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.

ISSUED: March 29, 1993

EFFECTIVE: December 22, 1993

(Issued by Authority of the Public Service Commission in Case No. 92-558 date December 22, 1993)

ISSUED BY: *Mary S. Lovell* Vice President - Rates & Regulatory Affairs

Proposed

WESTERN KENTUCKY GAS COMPANY

Rules and Regulations

c) Penalty for Unauthorized Overruns

In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.

In addition to other tariff provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

d) Discontinuance of Service

The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.

ISSUED: June 23, 1999

EFFECTIVE: July 24, 1999

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs