

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED	)	
GAS ADJUSTMENT FILING OF	)	CASE NO. 90-002-C
EAST KENTUCKY UTILITIES, INC.	)	

O R D E R

On January 18, 1991, East Kentucky Utilities, Inc. ("East Kentucky") filed an application pursuant to its purchased gas adjustment clause to pass through to its customers a surcharge from its supplier, Kentucky West Virginia Gas Company ("Kentucky West"). The surcharge was approved by the Federal Energy Regulatory Commission ("FERC") as part of a settlement in Docket Nos. TQ89-1-46-000, et. al. between Kentucky West and this Commission. East Kentucky received notice on January 14, 1991 that the surcharge in the amount of 61.4 cents per Dth was approved to be effective January 1, 1991.

After reviewing the record and all information pertaining to this case, the Commission finds that:

1. East Kentucky's notice of January 18, 1991 proposed to implement a surcharge in the amount of 80.48 cents per Mcf to pass along to its customers the billings from Kentucky West for 1991. The surcharge in this amount would remain in effect until recalculated by Kentucky West, with billings from Kentucky West pursuant to the settlement to be received and paid by East Kentucky for a period of no less than 10 years.

2. East Kentucky requested an effective date of January 1, 1991 to implement its surcharge. KRS 278.180 provides that a utility must give 30 days notice to the Commission prior to the effective date of any increase in rates. Inasmuch as the September 12, 1990 settlement was negotiated by the Commission in the interest of the Kentucky utilities served by Kentucky West, the Commission had actual notice of the terms and conditions contained in the agreement on September 12, 1990. The effective date of East Kentucky's surcharge should, therefore, be the effective date from Kentucky West, January 1, 1991.

3. East Kentucky's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 90-002 dated October 10, 1990 is fair, just, and reasonable, in the public interest, and should be effective with bills rendered on and after the date of this Order.

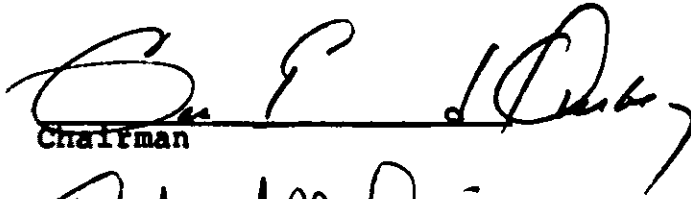
IT IS HEREBY ORDERED that:


1. The surcharge in the Appendix, attached hereto and incorporated herein, is fair, just, and reasonable, and is approved effective with bills rendered on and after the date of this Order.

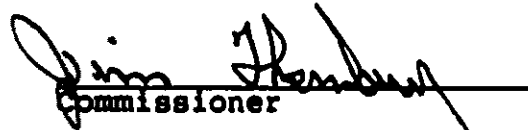
2. Within 30 days of the date of this Order, East Kentucky shall file with this Commission its revised tariffs setting out the surcharge authorized herein.

Done at Frankfort, Kentucky, this 1st day of February, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

**APPENDIX**

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 90-002-C DATED FEBRUARY 1, 1991**

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

**RATES: Monthly**

First	1 Mcf	\$9.8092 per Mcf
All Over	1 Mcf	6.8543 per Mcf

Minimum Bill: \$9.81  
(When less than 1 Mcf is used)

A surcharge of \$.8048 per Mcf will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.