

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED GAS ADJUSTMENT FILING)
OF WESTERN KENTUCKY GAS COMPANY) Case No. 7157-FF

O R D E R

On December 6, 1978, the Commission issued its Order in Case No. 7157, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased.

On June 11, 1981, Western Kentucky Gas Company ("Applicant"), filed with the Commission its notice of a decrease in rates from one of its suppliers, Texas Gas Transmission Corporation ("Texas Gas").

On June 9, 1981, Texas Gas filed revised tariff sheets to its FPC Gas Tariff, Third Revised Volume No. 1. The revised tariff sheets were filed in compliance with the Commission's Order issued June 8, 1981, in Docket No. RP80-101, approving the Stipulation and Agreement submitted by Texas Gas on February 6, 1981. The revised tariff sheets result in decreased rates retroactive to November 1, 1980, and will be made effective on Texas Gas billings for gas purchased on and after May 1, 1981. Appropriate refunds will be made separately by Texas Gas in accordance with the terms of the Stipulation and Agreement for the period November 1, 1980, through April 30, 1981.

Due to the retroactive nature of the Texas Gas decrease, the Applicant requests that the new rate to the Applicant be made effective July 1, 1981. The Applicant should report to this Commission any excess revenues collected during the period May 1, 1981, through June 30, 1981, along with a plan to refund any excess collections.

As a result of the changes effective as aforesaid the net cost of gas to the Applicant for the twelve months ended April 30, 1981, would have decreased \$1,302,979 or .0334¢ per Mcf.

After reviewing this evidence of record and being advised the Commission is of the opinion and finds that:

(1) The Applicant's supplier, Texas Gas, has filed revised tariff sheets reflecting a decrease in rates with the Federal Energy Regulatory Commission (FERC) and said decrease is to become effective May 1, 1981.

(2) The Application filed June 11, 1981, reflected Texas Gas's rates as filed with FERC on June 9, 1981, to be effective July 1, 1981.

(3) The Applicant shall report to the Commission any excess revenues collected during the period of May 1, 1981, through June 30, 1981, along with a plan to refund any excess collections to its customers.

(4) The Applicant's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7157, dated December 6, 1978, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after the date the decreased cost of wholesale gas becomes effective.

(5) The Applicant's base supplier rate for purchased gas will be as follows.

	<u>Demand/MCF</u>	<u>Commodity/MCF</u>
Texas Gas Transmission Corporation		
G-2	\$2.17	\$2.2379
G-3	2.56	2.2856
G-4	2.94	2.3219
	<u>Commodity Rate</u>	<u>Gas Rate</u>
Tennessee Gas Pipeline Company		
G-2	\$.3725	\$2.3526
GS-2	.4915	2.3526
Local Producers	-	2.3698

(6) Applicant's adjustment in rates under the purchased gas adjustment clause, as set out in Exhibit D, page 1 of its notice herein, in the amount of \$1.2605 per Mcf, is fair, just and reasonable in the public interest and should be allowed to become effective for service rendered on and after July 1, 1981.

IT IS THEREFORE ORDERED that said purchased gas adjustment sought by the Applicant, as set forth in Exhibit D, page 1 of its notice, be and the same is hereby approved to be effective for service rendered on and after July 1, 1981, for all customers as set out in Appendix A attached hereto and made a part hereof.

IT IS FURTHER ORDERED that the Applicant shall report to this Commission any excess revenues collected during the period May 1, 1981, through June 30, 1981, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that for the purpose of the future application of the purchased gas adjustment clause of the Applicant the base rate for purchased gas shall be:

	<u>Demand/MCF</u>	<u>Commodity/MCF</u>
Texas Gas Transmission Corporation		
G-2	\$2.17	\$2.2379
G-3	2.56	2.2856
G-4	2.94	2.3219
	<u>Commodity Rate</u>	<u>Gas Rate</u>
Tennessee Gas Pipeline Company		
G-2	\$.3725	\$2.3526
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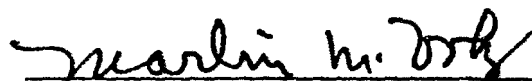
IT IS FURTHER ORDERED that the information furnished this Commission by Applicant on June 11, 1981, constitutes full compliance with this Commission's Order in Case No. 7157, and any other infor-

mation ordinarily required to be filed under the Commission's Regulations is hereby waived.

IT IS FURTHER ORDERED that within 30 days from the date of this Order, Applicant shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 1st day of July, 1981.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 7157-FE Dated JULY 1, 1981.

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

RATES:

Applicable to All Rate Schedules

Purchased Gas Adjustment

To each bill rendered under all rate schedules there shall be added an amount equal to; 1.2605 per Mcf of gas used during the billing period.