

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF WESTERN KENTUCKY)	CASE NO. 7157-JJ
GAS COMPANY)	

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 September 9, 1981, Western Kentucky Gas Company ("Applicant") filed with the Commission its notice of a decrease from one of its suppliers, Texas Gas Transmission Corporation ("Texas Gas").

On August 28, 1981, Tennessee Gas Pipeline Company ("Tennessee Gas") filed Second Revised Sheet No. 28 to its FERC Gas Tariff Original Volume No. 1. The sole purpose of this tariff sheet is to delete the Surcharge for Amortizing the Unrecovered Louisiana First Use Tax Account maintained pursuant to Article XXVIII of the General Terms and Conditions of Tennessee's Tariff. Tennessee Gas has requested that the

revised tariff sheet become effective retroactively to August 1, 1981.

On September 4, 1981, Texas Gas Transmission Corporation ("Texas Gas") filed Substitute Thirty-fourth Revised Sheet No. 7 to its FPC Gas Tariff Third Revised Volume No. 1. The purpose of this tariff sheet is to reflect downward modifications in the rates of two of Texas Gas' pipeline suppliers, Texas Eastern Transmission Corporation and United Gas Pipeline Company. The Commission's Order issued July 31, 1981, in Docket No. TA81-2-18-001 accepted Texas Gas' August 1, 1981, purchased gas adjustment rates subject to the condition that they reflect any downward modification of the Texas Eastern and United purchased gas adjustment rates. Texas Gas has requested that the revised tariff sheet become effective retroactively to August 1, 1981.

As a result of the changes effective as aforesaid the cost of gas to the Applicant for the 12 months ended July 31, 1981, would have decreased \$694,055.

Due to the retroactive nature of the suppliers' decrease, the Applicant requests that the new rate to the Applicant be made effective on and after October 1, 1981. The Applicant should report to this Commission any excess revenues collected during the period August 1, 1981, through September 30, 1981, along with a plan to refund any excess collections.

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

(1) The Applicant's supplier, Tennessee Gas, has filed revised tariff sheets reflecting the deletion of the Surcharge for Amortizing the Unrecovered Louisiana First Use Tax Account.

(2) 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 retroactively to August 1, 1981.

(3) The application filed September 9, 1981, reflected Texas Gas' rates as filed with FERC on September 4, 1981, to be effective retroactively to August 1, 1981.

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

(5) 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.

(6) 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	\$2.22	\$2.6414
G-3	2.62	2.6898
G-4	3.00	2.7272
	<u>Commodity Rate</u>	<u>Gas Rate</u>
Tennessee Gas Pipeline Company		
G-2	\$.3460	\$2.3526
GS-2	.4650	2.3526
Local Producers	-	2.7759

(7) The 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 \$1.6191 per Mcf, is fair, just and reasonable in the public interest and should be allowed to become effective for service rendered on and after October 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 October 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 August 1, 1981, through September 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	\$2.22	\$2.6414
G-3	2.62	2.6898
G-4	3.00	2.7272

	<u>Commodity Rate</u>	<u>Gas Rate</u>
Tennessee Gas Pipeline Company		
G-2	\$.3460	\$2.3526
GS-2	.4650	2.3526
Local Producers	-	2.7759

IT IS FURTHER ORDERED that the information furnished this Commission by Applicant on September 9, 1981, constitutes full compliance with this Commission's Order in Case No. 7157, and any other information 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 19th day of October, 1981.

PUBLIC SERVICE COMMISSION


For the Commission

Attest:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 7157-JJ DATED
OCTOBER 19, 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: 1.6191 per Mcf of gas used during the billing period.