

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TEXAS AMERICAN)
ENERGY CORPORATION, THROUGH ITS)
DIVISION, WESTERN KENTUCKY GAS)
COMPANY, OF OWENSBORO, KENTUCKY,)
FOR AN ORDER AUTHORIZING THE)
CREATING, ISSUANCE AND SALE OF)
\$12,000,000 FIRST MORTGAGE)
16.40% BONDS, SERIES I, DUE)
OCTOBER 1, 1997)

CASE NO. 8626

ORDER DENYING REHEARING

On September 30, 1982, the Commission issued an order denying the application of Western Kentucky Gas Company ("Western") 1/ to issue \$12,000,000 in first mortgage bonds at a 16.4 interest rate. On October 15, 1982, Western filed an application for rehearing of this Order. In support of its application for rehearing, Western argues that the 16.4 percent interest rate was favorable at the time this financing was negotiated, and that three insurance companies had agreed to purchase these securities. Western further states that it has incurred certain costs in negotiating this financing that will not be recovered.

KRS 278.400 states that the purpose of any rehearing is to afford a party the opportunity to "offer any additional evidence

1/ Western is a division of Texas American Energy Corporation.

that could not with reasonable diligence have been offered on the former hearing." All of the arguments advanced by Western in support of its application for rehearing were previously made by the company in the hearing held in this matter. The application for rehearing contains no additional evidence that requires further hearing by this Commission.

Moreover, the Commission wishes to point out that on September 23, 1982, one week prior to the date of its Order in the instant proceeding, it issued its Order in Case No. 8569, denying authority to Kentucky-American Water Company ("Kentucky-American") to issue \$6,000,000 of its general mortgage bonds at 16 3/8 percent interest, due September 1, 1989, and that on October 15, 1982, Kentucky-American filed with the Commission its application for approval to issue \$6,000,000 of its general mortgage bonds at 14.00 percent interest, due December 1, 1992. On October 25, 1982, the Commission issued its Order granting approval to Kentucky-American to issue its general mortgage bonds at 14.00 percent.

For all of the above-stated reasons, the Western Kentucky Gas Company's application for rehearing is hereby denied.

Done at Frankfort, Kentucky, this 25th day of October, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary