

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

THE NOTICE OF)	
PURCHASED GAS ADJUSTMENT)	
FILING OF WESTERN)	CASE NO. 8227-O
KENTUCKY GAS COMPANY)	

O R D E R

On October 9, 1981, the Commission issued its Order in Case No. 8227 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 or a refund is received.

On June 13, 1983, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Tennessee Gas Pipeline Company ("Tennessee Gas"), and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

On June 28, 1983, Western notified the Commission of an additional decrease in the wholesale price from its supplier, Texas Gas Transmission Corporation ("Texas Gas"), and revised its filing of June 13, 1983, to reflect the decrease in the wholesale cost of gas from both of its suppliers.

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

(1) Western's notice of June 28, 1983, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its suppliers in the combined amount of \$4,002,140 or 11.44 cents per Mcf

(2) Western's wholesale cost of gas was decreased by Tennessee Gas effective May 1, 1983. Western did not file an application for permission to track this decrease thus resulting in an overcollection from its customers. Western should report to the Commission the amount overcollected from its customers during the period from May 1, 1983, to the date the proposed rates are implemented along with a plan to refund the same amount to its customers.

(3) Tennessee Gas has filed an application for decreased rates to become effective July 1, 1983, with the Federal Energy Regulatory Commission ("FERC").

(4) On June 24, 1983, Texas Gas filed revised tariffs in compliance with FERC Order issued in Docket No. RP 82-74 approving Stipulation and Agreement settlement rates effective April 1, 1983. Western should report to the Commission the amount overcollected from its customers during the period from April 1, 1983, to the date the proposed rates are implemented along with a plan to refund the same amount to its customers.

(5) Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8227 dated October 9, 1981, is fair, just

and reasonable and in the public interest and should be effective with gas supplied on and after July 1, 1983.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after July 1, 1983.

IT IS FURTHER ORDERED that within 60 days of the date of this Order Western shall report to the Commission any excess revenues collected during the period from April 1, 1983, and from May 1, 1983, to the date the proposed rates are implemented, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 7th day of July, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
 COMMISSION IN CASE NO. 8227-O DATED
 JULY 7, 1983

The following rates and charges are prescribed for the customers 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 this Commission prior to the date of this Order.

RATES:

Applicable to : All Gas Rate Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: \$1.0346 per Mcf of gas used during the billing period.

The base rates for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

	<u>Demand</u>	<u>Commodity</u>	<u>Gas Rate</u>
Texas Gas Transmission Corp.			
G-2	\$5.35/Mcf	\$3.4827/Mcf	-0-
G-3	6.17/Mcf	3.5286/Mcf	-0-
G-4	6.71/Mcf	3.5645/Mcf	-0-
Tennessee Gas Pipeline Comp.			
G-2	8.28/Mcf	.3606/Mcf	\$2.9204/Mcf
GS-2	-0-	.8365/Mcf	2.9204/Mcf
Local Producers	-0-	-0-	3.7314/Mcf