

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES OF)
WESTERN KENTUCKY GAS COMPANY) CASE NO. 8839

O R D E R

IT IS ORDERED that Western Kentucky Gas Company ("Western") shall file an original and 12 copies of the following information with the Commission within 1 week after receipt of this data request. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. A. The response to Item 29a of the Attorney General's Request No. 1 shows the calculation of the adjustment to Gas Stored Underground. Provide a schedule in the same format as

workpaper 1/6 showing monthly injections, withdrawals, etc. in MCF's rather than dollars.

B. In the calculation of Gas Stored Underground, explain why the withdrawals related to temperature normalization were priced at the year-end commodity price thereby leaving in rate base an amount priced at less than the average cost of gas in storage.

2. The response to Item 32 of the Attorney General's Request No. 1 explains the deferred MCF adjustment. In reference to part II of that response, indicate the location of the test year loss of 1.4 percent in the response to Item 21.

3. Provide the derivation of the rate of \$3.9553 for the deferred adjustment calculation shown on Brady Exhibit 3.

4. Test year-end gas in storage reflects an average cost of \$2.6062 ($\$9,125,628/3,501,452$ MCFs). Explain why the pro forma cost of gas should not reflect this cost for withdrawals included in the calculation of net storage injections.

5. A. Western's work force is primarily non-union. List and describe the factors considered in determining the increases in salaries for non-union personnel.

B. The response to Item 18d of the Commission's first data request shows a 13.81 percent increase in non-union salaries and wages from 1981 to 1982. Indicate when in 1982 specific percentage increases were granted to particular employee groups (identify group, month of increase, and percent of increase).

6. A. The response to Item 7b of the Commission's second data request indicates that Western is interested in purchasing

locally produced gas that can be produced economically. How does Western determine that locally produced gas is economical?

B. Is Western delivering, to Dawson Springs, 250,000 MCF purchased from Ames Oil and Gas as set out in the Ames' gas purchase contract? If no, explain.

C. Can Western purchase locally produced gas at a lower commodity rate than the Texas Gas - Zone 3 rate?

7. A. The response to Item 25a of the Commission's first data request reflects test year expenses of \$11,524 and \$61,681, respectively, for promotional and institutional advertising. Explain the reasons for these expenditures, other than to enhance the corporate image of Western Kentucky Gas.

B. In the response to Item 25b of the same request, workpaper B/2 shows membership dues of \$74,156 charged to expense during the test year. In Case No. 8227, the Commission recognized the benefits of membership in the American Gas Association. List and describe the benefits to Western's customers resulting from its participation in the other organizations shown on workpaper B/2.

8. Provide a description of the auto accident that led to the October, 1982, settlement in the amount of \$64,000. Indicate if this was an out-of-court settlement and explain why Western was liable in this matter.

9. Update the response to the AG's first data request, Item 61, through the most recent month for which data is available.

10. Provide a copy of the financial data used to calculate the growth rates and the dividend yields, listed on schedule 1, pages 1 and 2, of Mr. Jackson's testimony.

11. Provide a listing of all issues of Texas American Energy Corporation common stock in the primary market during the most recent 10 year period as shown in format 4a.

Done at Frankfort, Kentucky, this 16th day of August, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary