

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 8839-B
KENTUCKY GAS COMPANY)

ORDER

On December 1, 1983, the Commission issued its Order in Case No. 8839 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 January 9, 1984, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas would be increased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) Western's notice of January 9, 1984, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the overall wholesale increase in price from its suppliers in the amount of \$1,134,383 or 3.20 cents per Mcf.

(2) Texas Gas has filed an application for increased rates to be effective February 1, 1984, with the Federal Energy Regulatory Commission.

(3) Western's wholesale cost of gas from local producers which tracks Texas Gas' rate will be increased effective February 1, 1984.

(4) In accordance with its purchased gas adjustment clause, Western's notice of January 9, 1984, includes its semi-annual production gas adjustment applicable to local production contracts. This results in a decrease of .11 cents per Mcf.

(5) Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839 dated December 1, 1983, is fair, just and reasonable and in the public interest and should be effective with bills rendered on and after February 1, 1984, subject to refund. These rates should be subject to refund because Texas Gas' rates are subject to refund.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with bills rendered on and after February 1, 1984, subject to refund.

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 20th day of January, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8839-B DATED JANUARY 20, 1984.

The following rates and charges 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 this Commission prior to the date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$0.0477) 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	\$5.36	\$3.2653	-0-
G-3	6.18	3.3112	-0-
G-4	6.72	3.3471	-0-
Tennessee Gas Pipeline Comp.			
GS-2	-0-	.6656/Mcf	2.6221/Mcf
Local Producers	-0-	-0-	3.5144/Mcf