

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-C
KENTUCKY GAS COMPANY)

O R D E R

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 March 8, 1984, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas would be decreased 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 March 8, 1984, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in price from its suppliers in the amount of \$1,908,560 or 5.01 cents per Mcf.

(2) On February 29, 1984, Texas Gas filed an application for decreased 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 decreased effective February 1, 1984.

(4) Western's notice of March 8, 1984, proposed an effective date of April 1, 1984, for its proposed rates. Due to the retroactive nature of Texas Gas' decrease Western will collect excess revenues during the period from February 1, 1984, to March 31, 1984. Western should report to the Commission the excess revenues collected along with a plan to refund the excess collections 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. 8839 dated December 1, 1983, is fair, just and reasonable and in the public interest and should be effective with service rendered on and after February 1, 1984.

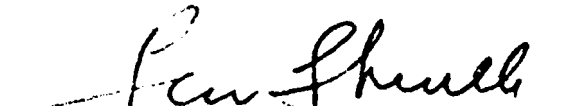
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with service rendered on and after February 1, 1984.

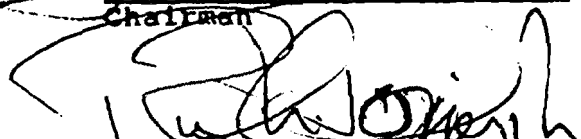
IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall report to the Commission any excess revenues collected during the period from February 1, 1984, to the date the proposed rates are implemented, along with a plan to refund any excess collections.

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 19th day of March, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Wice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8839-C DATED 3/19/84

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: (\$0.0978) 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	\$5.24	\$3.2146	-0-
G-3	6.06	3.2605	-0-
G-4	6.60	3.2964	-0-
Tennessee Gas Pipeline Comp.			
GS-2	-0-	.6656/Mcf	2.6221/Mcf
Local Producers	-0-	-0-	3.4597/Mcf