

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS     )  
ADJUSTMENT FILING OF WESTERN    )     CASE NO. 8839-CC  
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 August 6, 1986, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Tennessee Gas Pipeline Company ("Tennessee"), effective July 1, 1986, due to errors in Tennessee's original July 1, 1986, decrease filed with the Federal Energy Regulatory Commission ("FERC") 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 August 6, 1986, 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 supplier in the amount of \$67,614 or .22 cents per Mcf.

(2) Tennessee filed decreased rates with the FERC to be effective July 1, 1986.

(3) Western requested an effective date of September 1, 1986, for its decrease. Because Tennessee's decrease was effective July 1, 1986, however, Western's decrease in rates should also be effective July 1, 1986.

(4) Western requested in its filing that it be allowed to report the amount of excess revenues collected between July 1, 1986, and the date the proposed rates are implemented when it next files a refund plan. Because the excess revenues involved appear to be a very small amount, Western should hold any excess revenues to be returned to its customers with its next refund.

(5) Western's adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839, dated December 1, 1983, are fair, just and reasonable and in the public interest and should be effective with gas supplied on and after July 1, 1986.

IT IS THEREFORE ORDERED that:

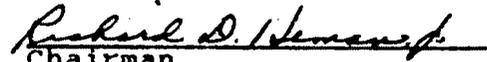
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after July 1, 1986, instead of September 1, 1986, as Western requested.

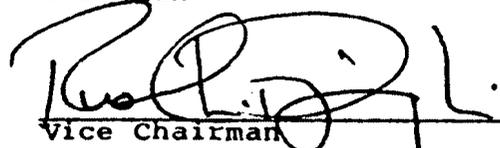
(2) Within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) With its next refund plan, Western shall include the amount of excess revenues collected from July 1, 1986, to the date the proposed rates are implemented.

Done at Frankfort, Kentucky, this 21st day of August, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director

