

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS     )  
ADJUSTMENT FILING OF WESTERN    )     CASE NO. 8839-DD  
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 September 4, 1986, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Texas Gas Transmission Corporation ("Texas") effective August 1, 1986, 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 September 4, 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 \$672,142 or 2.17 cents per Mcf.

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

(3) Western requested an effective date of October 1, 1986, for its decrease. Because Texas' decrease was effective August 1, 1986, however, Western's decrease in rates should also be effective August 1, 1986. Western should file the amount of excess revenues collected, along with a refund plan.

(4) 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 August 1, 1986.

IT IS THEREFORE ORDERED that:

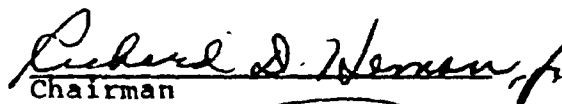
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after August 1, 1986, instead of October 1, 1986, as Western requested.

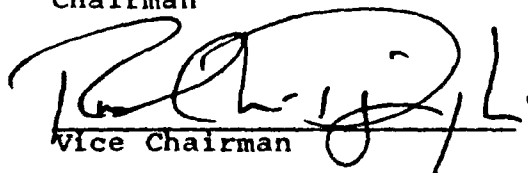
(2) Within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Western should report to this Commission the amount of excess revenues collected from August 1, 1986, to the date the proposed rates are implemented, along with a refund plan.

Done at Frankfort, Kentucky, this 22nd day of September, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 8839-DD DATED 9/22/86

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 effective 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: (\$.6358) per Mcf of gas used during the billing period.

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

Texas Gas Transmission Corp.

	<u>Demand-1</u>	<u>Demand-2</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$4.50	\$.1175	\$2.5170	-0-
G-3	4.77	.1294	2.5419	-0-
G-4	4.96	.1388	2.5593	-0-

Tennessee Gas Pipeline Co.

GS-2      -0-                      .6581/Dth    2.3587/Dth

Local Producers                      -0-                      -0-                      2.5419/Dth