

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)
GAS ADJUSTMENT FILING OF)
EAST KENTUCKY UTILITIES,) CASE NO. 9545-B
INC.)

O R D E R

On September 25, 1986, the Commission issued its Order in Case No. 9545 approving certain adjustments 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 December 8, 1986, East Kentucky Utilities, Inc., ("East Kentucky") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective January 1, 1987, 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) East Kentucky's notice of December 8, 1986, set out certain revisions in rates which East Kentucky proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$262 or .18 cents per Mcf.

(2) Kentucky West has filed an application for increased rates to become effective January 1, 1987, with the Federal Energy Regulatory Commission ("FERC").

(3) East Kentucky's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9545 dated September 25, 1986, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after January 1, 1987.

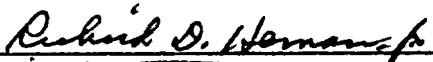
IT IS HEREBY ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after January 1, 1987.

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

Done at Frankfort, Kentucky, this 15th day of December, 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. 9545-B DATED 12/15/86

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, Inc. 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: Monthly

| | |
|-------------|-----------------|
| First 1 Mcf | \$7.879 Per Mcf |
| Over 1 Mcf | \$5.079 Per Mcf |

Minimum Bill: \$7.92 for less than 1 Mcf.

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc., shall be:

| | <u>Commodity</u> |
|------------------------------------|------------------|
| Kentucky West Virginia Gas Company | \$2.5629/Dth* |
| Southeastern Gas Company | \$3.50/Mcf |

*Includes \$0.0152 per Dth - Gas Research Institute Funding Charge