

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GAS COST ADJUSTMENT)
OF WESTERN KENTUCKY) CASE NO. 9556-B
GAS COMPANY)

ORDER

On April 8, 1987, Western Kentucky Gas Company ("Western") filed its quarterly Gas Cost Adjustment ("GCA") application which contained a proposal to alter the billing mechanism for transportation service in its Tennessee Gas Pipeline Company ("Tennessee") market area. In its Order dated April 30, 1987, the Commission denied Western's proposed mechanism and directed it to continue to charge all its customers gross margin transportation rates. On May 19, 1987, Western applied for rehearing of this matter and proposed an informal technical conference.

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

1. Western's application for rehearing contained no new information in this case; it re-stated Western's arguments used in its initial filing.

2. The Federal Energy Regulatory Commission has not yet reached a decision that would force Tennessee to bill all its Rate Schedule G customers using a 2-part rate.

3. A technical conference to discuss issues already stated and reiterated by Western is unnecessary.

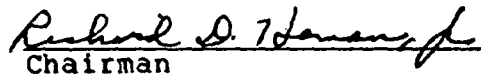
4. Rehearing in this case should be denied.

IT IS THEREFORE ORDERED that:

1. Western's application for rehearing be and it hereby is denied.

Done at Frankfort, Kentucky, this 19th day of June, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director