COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LIMITED RATE CHANGE OF WESTERN KENTUCKY GAS COMPANY	))	CASE NO. 92-558

O R D E R

IT IS ORDERED that Western Kentucky Gas Company ("Western") shall file the following information with this Commission on July 12, 1993 with a copy to all parties of record. If the information cannot be provided by the stated date, a motion for an extension of time should be submitted stating the reason a delay is necessary and a date by which the information will be furnished. Such motion will be considered by the Commission.

1. Western states in its application that it has a tariff obligation to maintain standby gas supply for its transportation service. Do the current rates for this service cover the costs of Western replacing the pipeline?

2. What is the effect on charges to LVS customers of not including storage related gas transactions in the LVS commodity component? What is the effect on the gas cost charged to other customers?

3. If the reliability of LVS-1 service is similar to G-1, why is it reasonable to exclude a storage-related component from LVS-1 commodity rates?

4. Why is the alternative fuel flex provision equally appropriate to T-3 as to T-2 service?

5. Why are flex sales transactions considered to be the lowest priority in the proposed curtailment plan?

6. Why is it necessary to set out transportation curtailment separately?

7. How many customers does Western expect to serve under the proposed LVS-1 and LVS-2 schedules respectively?

8. Does Western expect increased revenues due to customers desiring more reliable service (for example, T-2 interruptible customers switching to LVS-1)?

9. Is the proposed tariff language in LVS 3(g) concerning notice to the Commission of the weighted average commodity gas cost and true-up adjustment to be billed LVS customers presented as satisfying the notice requirements of KRS 278.180? Explain.

10. Since the LVS weighted average gas cost will be the same as for other customers (except for the proposed exclusion of storage costs), will Western be able to tie the LVS weighted average cost to the GCA true-up adjustment?

11. Regarding Rider GCA, does Western expect to recover all charges authorized by the Federal Energy Regulatory Commission, including all Order 636 transition costs?

12. What "other fixed costs" does Western propose to recover through the EGC?

13. Regarding the provision for imbalances in Rates T-2 and T-3, why should the customer be required to pay at Western's applicable sales rate for a negative imbalance when Western only agrees to pay the customer an index price for a positive imbalance?

In a positive imbalance situation, should Western be willing to pay an amount closer to its current cost of gas?

14. Why does Western propose to bill negative imbalances in Rate T-3 at a higher rate than in Rate T-2?

15. Explain how the language "index price will equal the effective 'Cash Out' index price" will apply in a positive imbalance situation. If no pipeline cash out price is available, how will Western calculate it? How often will this calculation be changed and filed with the Commission?

16. Will Western agree to flex T-2, LVS-2 or T-3 rates only if the customer has alternate fuel capability? Explain.

17. Why is Western proposing to require a written contract for a minimum term of 12 months for LVS service? Would this diminish a customer's purchasing flexibility? Absent this requirement, would Western's purchasing flexibility be diminished?

18. If a customer using LVS service elects to go off the service after 12 months, is the customer subject to the exit fee? If so, how will it be calculated?

19. With regard to special provisions in Rate T-3, does the customer maintain ownership for any additional facilities or equipment required to receive service?

Done at Frankfort, Kentucky, this 1st day of July, 1993.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive Director