

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 92-558-C
KENTUCKY GAS COMPANY)

O R D E R

On December 22, 1993, the Commission issued its Order in Case No. 92-558 approving on an experimental basis a monthly mechanism for the adjustment of rates in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On March 1, 1994, Western Kentucky Gas Company ("Western") filed its monthly GCA with a proposed effective date of April 1, 1994, to be effective until May 1, 1994.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western's notice of March 1, 1994 set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on to its firm sales customers an expected wholesale decrease in gas costs from its suppliers in the amount of 4.04 cents per Mcf. Western's proposed EGC for firm sales customers effective April 1, 1994 is \$3.4671 per Mcf.

Western also proposed to pass on to its interruptible customers a wholesale decrease in gas costs. Western's proposed expected gas cost for interruptible sales customers effective April 1, 1994 is \$2.8802 per Mcf.

2. Western's notice set out no current refund adjustments for firm and interruptible sales customers. Total refund factors, which are composed of previous refund factors, are 11.43 cents per Mcf for firm sales customers and 10.83 cents per Mcf for interruptible customers.

Western's notice likewise set out no current refund adjustments for firm or interruptible transportation customers. Total refund adjustments of 2.09 cents and 1.49 cents per Mcf, respectively, are from previous refund factors.

3. Western's notice set out its first correction factor ("CF") filed in compliance with its revised GCA clause. The CF replaces the actual and balancing adjustments which Western formerly used to reconcile its under- and over-recoveries of gas costs. Western's CF, which is designed to return to its customers net over-collections from the 6-month period ending December 31, 1993, is (2.16) cents per Mcf.

4. Western's GCA is (\$.1032) per Mcf for firm sales customers and (\$.4268) per Mcf for interruptible sales customers. These represent the combined effect of the approved EGC decrease, the CF and the refund adjustments.

5. Western's adjustment in rates under the provisions approved by the Commission in its Order in Case No. 92-558 dated December 22, 1993 is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after April 1, 1994.

6. Western's filing of March 1, 1994 included supplementary

information concerning its correction factor for which it requested confidentiality. This information discloses the actual price being paid by Western to individual marketing companies and other suppliers of gas. Publication of such information is likely to cause competitive injury to Western and should be protected.

IT IS THEREFORE ORDERED that:


1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after April 1, 1994.

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. Pages 3 and 4 of Exhibit D, which Western has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 5th day of April, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-558-C DATED April 5, 1994

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: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.1032) per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.4268) per Mcf of gas used during the billing period.