

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-J
KENTUCKY GAS COMPANY)

O R D E R

On December 22, 1993, in Case No. 92-558, the Commission approved, on an experimental basis, a mechanism for the monthly adjustment of rates for Western Kentucky Gas Company ("Western") in accordance with the gas cost adjustment ("GCA") clause set forth in the Order.

On October 3, 1994, Western filed its monthly GCA to be effective from November 1, 1994 to December 1, 1994.

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

1. Western's notice proposed revised rates designed to pass on to its firm sales customers an expected wholesale increase in gas costs in the amount of 21.52 cents per Mcf. Western's proposed expected gas cost ("EGC") for firm sales customers is \$3.0468 per Mcf.

Western also proposed to pass on to its interruptible customers a wholesale increase in gas costs. Western's proposed EGC for interruptible sales customers is \$2.4911 per Mcf.

2. Western has received supplier refunds of \$1,589,617, including interest, resulting in a current refund factor of 4.95 cents per Mcf for firm sales customers, and 1.53 cents per Mcf for interruptible customers. Total refund factors of 8.24 cents per Mcf for firm sales customers and 4.22 cents per Mcf for interruptible customers reflect current adjustments as well as adjustments from previous months.

Western's notice likewise set out a current refund adjustment for firm transportation customers of 4.95 cents, with a 1.53 cents per Mcf current adjustment for interruptible transportation customers. Total refund adjustments of 5.87 cents and 1.85 cents per Mcf, respectively, include previous month adjustments.

3. Western's notice set out the 6-month correction factor ("CF") of 1.15 cents per Mcf which will remain in effect until April 1, 1995. The CF is designed to recoup net under-collections of gas cost from the 6-month period ending June 30, 1994.

4. These adjustments produce gas cost adjustments of (\$.4585) per Mcf for firm sales customers and (\$.7167) per Mcf for interruptible sales customers.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for final meter readings on and after November 1, 1994.

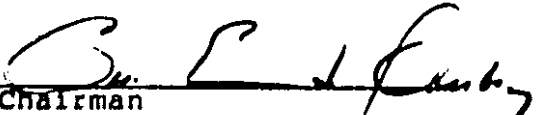
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for final meter readings on and after November 1, 1994.

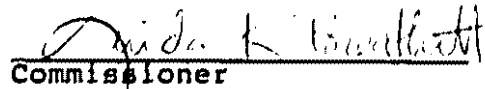
2. Within 30 days of the date of this Order, Western shall file with the Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 28th day of October, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-558-J DATED OCTOBER 28, 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: (\$.4585) 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: (\$.7167) per Mcf of gas used during the billing period.