

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 January 11, 1995, Western filed its monthly GCA in Case No. 92-558-M to be effective from February 1, 1995 to March 1, 1995. Western also included with its filing its request to continue its monthly GCA mechanism.

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 decrease in gas costs in the amount of 20.56 cents per Mcf. Western's proposed expected gas cost ("EGC") for firm sales customers is \$3.0104 per Mcf.

Western also proposed to pass on to its interruptible customers a wholesale decrease in gas costs. Western's proposed EGC for interruptible sales customers is \$2.5004 per Mcf.

2. Western has received supplier refunds of \$2,855,452, including interest, to be returned to system supply customers, resulting in a current refund factor of 9.11 cents per Mcf for firm sales customers, and 3.63 cents per Mcf for interruptible customers. Total refund factors of 17.35 cents per Mcf for firm sales customers and 7.85 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 7.92 cents per Mcf, with a 2.44 cents per Mcf current adjustment for Transportation Service Rate T-2 interruptible transportation customers. Total refund adjustments of 13.79 cents and 4.29 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 (\$.5860) per Mcf for firm sales customers and (\$.7437) 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 February 1, 1995.

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 February 1, 1995.

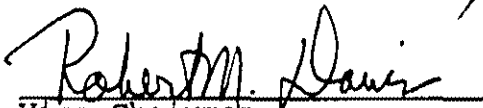
2. Within 30 days of the date of this Order, Western shall file with the Commission its revised tariffs setting out the rates authorized in this Order.

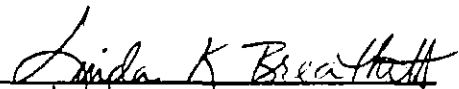
3. Western shall continue the use of its monthly GCA mechanism pending the Commission's decision regarding final approval in Case No. 92-558.¹

Done at Frankfort, Kentucky, this 1st day of February, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

¹ Case No. 92-558, Limited Rate Change of Western Kentucky Gas Company, Order dated December 22, 1993.

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-558-M DATED FEBRUARY 1, 1995.

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: (\$.5860) 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: (\$.7437) per Mcf of gas used during the billing period.