

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. 92-558-0

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 March 2, 1995, Western filed its monthly GCA to be effective from April 1, 1995 to May 1, 1995.

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 2.79 cents per Mcf. Western's proposed expected gas cost ("EGC") for firm sales customers is \$2.8906 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 \$2.1651 per Mcf.

2. Western has received supplier refunds of \$1,042,744, including interest, to return to its customers. The refund factor

for firm sales customers is 3.44 cents per Mcf, with a .99 cent per Mcf current refund factor for interruptible customers. Total refund factors of 18.09 cents per Mcf for firm sales customers and 6.74 cents per Mcf for interruptible customers reflect the current adjustments, as well as adjustments from previous months.

Western's notice, likewise, set out current refund adjustments of 3.21 and .76 cents per Mcf for firm and interruptible transportation customers. Total refund adjustments of 16.08 cents for firm and 4.73 cents per Mcf for interruptible transport customers also reflect previous month adjustments.

3. Western's notice set out a 6-month correction factor ("CF") of 2.86 cents per Mcf which will remain in effect until October 1, 1995. The CF is designed to recoup net under-collections of gas cost from the 6-month period ending December 31, 1994.

4. These adjustments produce gas cost adjustments of (\$.6961) per Mcf for firm sales customers and (\$1.0508) per Mcf for interruptible sales customers.

5. Western's filing of March 2, 1995, included supplementary information concerning its CF for which it requested confidential treatment. This information discloses the actual price being paid by Western to individual marketing companies and other suppliers of gas. Publication of this information is likely to cause competitive injury to Western and should be protected.

6. 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 April 1, 1995.

IT IS THEREFORE ORDERED that:

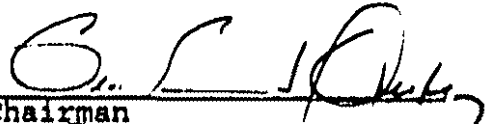
1. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for final meter readings on and after April 1, 1995.

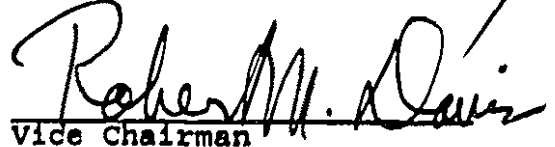
2. Within 30 days of the date of this Order, Western shall file with the Commission its revised tariffs setting out the rates authorized in this Order.

3. Pages four and five 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 6th day of April, 1995.

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-O DATED APRIL 6, 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: (\$.6961) 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: (\$1.0508) per Mcf of gas used during the billing period.