

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

On December 22, 1993, the Commission approved an experimental monthly gas cost adjustment ("GCA") mechanism for Western Kentucky Gas Company ("Western"). The revisions to the GCA tariff were approved for one year, after which time consideration would be given to granting final approval.

On January 13, 1995, Western filed a motion to continue its monthly GCA filings. On February 15, 1995, the Commission issued an Order requesting further information in support of the continuation of monthly filings. Western filed its response on March 17, 1995.

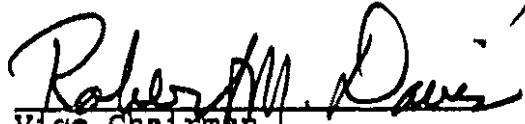
The Commission finds more timely pricing signals to customers and better tracking of gas costs to be desirable attributes of the monthly mechanism. Although the administrative burden has not proven to be overly onerous, the increased filing frequency appeared to exacerbate the problem of trying to match gas costs to anticipated, but not final, rate Orders. Proposed GCA changes should be filed based upon rates and rate structures known to be in effect at the time of filing, or in the alternative, should include currently approved as well as anticipated rates and rate structures.

IT IS THEREFORE ORDERED that Western's monthly GCA filing mechanism is hereby given permanent approval.

Done at Frankfort, Kentucky, this 20th day of November, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director