

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. 95-010-E

O R D E R

On September 29, 1995, in Case No. 95-010, the Commission approved adjusted rates for Western Kentucky Gas Company ("Western"), with their further adjustment to be made in accordance with the monthly gas cost adjustment ("GCA") approved in the final Order in Case No. 92-558.

On January 2, 1996, Western filed its monthly GCA to be effective from February 1, 1996 to March 1, 1996.

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. Western's expected gas cost ("EGC") for firm sales customers is \$3.6143 per Mcf and \$2.8601 for high load factor ("HLF") firm customers.

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 \$2.8601 per Mcf.

2. Western has received no current supplier refunds. Total refund factors of 12.49 cents per Mcf for firm sales customers and 7.68 cents per Mcf for interruptible customers reflect adjustments from previous months.

Western's notice likewise set out no current refund adjustments for transportation customers. Total refund adjustments of 14.22 cents for T-2 firm and 3.93 cents per Mcf for T-2 interruptible transportation customers reflect previous month adjustments.

3. Western's notice set out a 6-month correction factor ("CF") of (16.75) cents per Mcf which will remain in effect until April 1, 1996. The CF is designed to recoup net over-collections of gas cost from the 6-month period ending June 30, 1995.

4. These adjustments produce gas cost adjustments of (\$.1112) per Mcf for firm sales customers, (\$.0836) for HLF customers, and (\$.0355) 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, 1996.

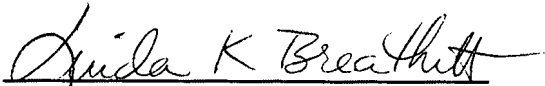
IT IS THEREFORE ORDERED that:

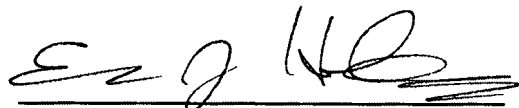
1. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for final meter readings on and after February 1, 1996.

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 31st day of January, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-010-E DATED JANUARY 31, 1996.

The following rates and charges are prescribed for the customers 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 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: (\$.1112) per Mcf of gas used during the billing period.

Applicable to: General Sales Service Rate HLF G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.0836) 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: (\$.0355) per Mcf of gas used during the billing period.