

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN	)	
KENTUCKY GAS COMPANY	)	CASE NO. 99-070
FOR AN ADJUSTMENT OF RATES	)	

O R D E R

On September 20, 1999, the Commission entered an Order directing Western Kentucky Gas Company ( Western ) to respond to requests for information by October 4, 1999. On Friday, September 24, 1999, Western requested clarification on two of the requests; namely, requests 6 and 57. The Commission finds that requests 6 and 57 of its September 20, 1999 Order should be amended. It further finds that granting Western an extension of time to respond to the two amended requests should not result in prejudice to the intervening parties.

IT IS THEREFORE ORDERED that:

1. Request 6 of the September 20, 1999 Order is amended as follows:
  6. Refer to the response to Item 48 of the Commission's August 19, 1999 Order and Revised Exhibits GLS-1 and GLS-2.
    - a. If Western's application did not employ a forecasted test year, but employed the reference period ending September 30, 1998 as a historical test year, normalized to reflect known and measurable adjustments, would Column (g) Total Volumes be the adjusted billing units on which rates would be calculated? If no, provide the adjusted billing units and explain how they would be determined.

b. Refer to part (b) of the response. Explain how the 180,576 Mcf attributable to commercial customer growth was split between the 0 to 300 Mcf rate block and the 301 to 15,000 Mcf rate block.

2. Request 57 of the September 20, 1999 Order is amended to read as follows:

57. Western's previous responses to data request questions regarding the justification of assumptions underlying the forecast of operating and maintenance expenses, as well as identifying and explaining differences in assumptions and methodologies used in those forecasts, indicate a lack of documentation for the budgetary process and management reporting for budgetary variances. An additional approach to evaluating the forecasted expenses would be to consider the reasonableness of the forecasted amounts based on known and measurable adjustments that Western would have proposed if it had used a historic test year.

a. If Western's application did not employ a forecasted test year, but employed the reference period ended September 30, 1998, as a historical test year, normalized to reflect known and measurable adjustments, would the type of adjustments termed utility budget adjustments, SSU billing adjustments, and rate making adjustments on Schedule C-2 be the same? Provide a detailed explanation.

b. What would the dollar amounts of the adjustments be from the standpoint of normalizing known and measurable adjustments?

3. Western shall have to and including October 8, 1999 to provide responses to the amended data requests.

4. Responses to all other data requests contained in the September 20, 1999 Order shall be due October 4, 1999 as previously ordered.

Done at Frankfort, Kentucky, this 1<sup>st</sup> day of October, 1999.

By the Commission

ATTEST:

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Executive Director