

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On December 3, 1999, Western Kentucky Gas Company (Western), the Attorney General of the Commonwealth of Kentucky (AG), and WBI Southern, Inc. (WBI) filed a Joint Stipulation and Settlement (Settlement) which the parties state represents a reasonable resolution of all the issues in this proceeding and is fair, just, and reasonable to the shareholders and ratepayers of Western. The Commission has determined that additional information is needed from the parties in order to permit the Commission the opportunity to conduct an adequate review of the terms of the Settlement and make a well informed determination as to whether the Settlement represents a reasonable resolution of all the issues in this proceeding.

IT IS THEREFORE ORDERED that Western, the AG, and WBI, shall each file the original and 12 copies of direct testimony, in written form, with the Commission, with a copy to all parties of record, by the close of business on Thursday, December 9, 1999. The testimony shall address the following issues, to the extent those issues were addressed in the original testimony of Western, the AG or WBI.

1. The Settlement includes an increase in Western's revenues of \$9,940,000 with increases to the various customer classes as follows:

- a. Residential \$6,238,259, or 9.1 percent
- b. Commercial - \$2,385,006, or 6.9 percent
- c. Industrial - \$901,580, or 5.4 percent
- d. Other revenues - \$415,089, or 55 percent

To the extent that the amount of increase and the allocation of the increase varies from what was proposed in either Western's or the intervenors' case in chief, as reflected in the original testimony filed in this proceeding, explain how the total amount as well as the amounts for individual rate classes included in the Settlement can be considered fair, just, and reasonable when the total amount of increase and the distribution of the increase proposed in each party's original testimony was also presented as being fair, just and reasonable.

2. To the extent that the tariffs included in the Settlement differ from, or are not consistent with, the position taken by Western, the AG, or WBI on said tariffs in their case in chief, as reflected in their original testimony, explain why the tariffs that have been included, excluded, or modified by virtue of the Settlement, are fair, just and reasonable.

IT FURTHER ORDERED that:

1. Western shall file, as it did with its existing tariffs and the Settlement tariffs in Exhibit C of the Settlement, a side-by-side comparison of its proposed tariffs in this proceeding and the Settlement tariffs included in Exhibit A of the Settlement.

2. Western and the AG shall address the appropriateness of applying a late payment charge to only one customer classification.

3. Western shall address its timeliness in sending out customers bills and whether customers should be reasonably able to remit payments within the time prescribed on their bills.

Done at Frankfort, Kentucky, this 6th day of December, 1999.

By the Commission

ATTEST:

Executive Director