

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF	)	CASE NO. 2002-00061
EAST KENTUCKY UTILITIES, INC.	)	

ORDER

On December 14, 1998, in Case No. 98-280, the Commission approved rates for East Kentucky Utilities, Inc. ( East Kentucky ) and provided for their further adjustment on an as-needed basis in accordance with East Kentucky's gas cost adjustment ( GCA ) clause.

On February 26, 2002, East Kentucky filed its proposed GCA to be effective February 1, 2002. East Kentucky did not provide the Commission 30 days notice as required under KRS 278.180(1). Pursuant to KRS 278.180(2), the Commission may prescribe a lesser time to implement a rate decrease, however, such a decrease cannot be made effective retroactive to the date the filing is received by the Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. East Kentucky's contract with Equitable Resources Marketing Company ( EREC ) contains a pricing provision that decreases the cost of gas purchased from EREC from \$6.00 to \$5.50 per Dekatherm effective February 1, 2002.

2. East Kentucky's notice includes revised rates designed to pass on to its customers its expected decrease in wholesale gas costs. East Kentucky's expected

gas cost is \$7.0902 per Mcf, which represents a decrease of 61.15 cents per Mcf from its current gas cost. This reflects the high heat content of the gas supplied by EREC.

3. Given the filing date of February 26, 2002, and East Kentucky's billing cycle, the earliest possible effective date is March 1, 2002.

4. The rates in the Appendix to this Order are fair, just and reasonable, in the public interest, and should be approved for service rendered by East Kentucky on and after March 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after March 1, 2002.

2. Within 20 days of the date of this Order, East Kentucky shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 11<sup>th</sup> day of March, 2002.

By the Commission

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2002-00061 DATED March 11, 2002

The following rates and charges are prescribed for the customers in the area served by East Kentucky Utilities, Inc. 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: Monthly

First Mcf	\$13.6140
All Over 1 Mcf	10.4992
Minimum Bill	\$ 13.62

A surcharge in the amount of \$.8048 per Mcf will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged or is recalculated.

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc. shall be:

Commodity

EREC	\$5.50 per Dth
Southeastern Gas Company	\$3.50 per Mcf