COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 8839-CC
KENTUCKY GAS COMPANY)

ORDER

On December 1, 1983, the Commission issued its Order in Case No. 8839 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On August 6, 1986, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Tennessee Gas Pipeline Company ("Tennessee"), effective July 1, 1986, due to errors in Tennessee's original July 1, 1986, decrease filed with the Federal Energy Regulatory Commission ("FERC") and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Western's notice of August 6, 1986, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$67,614 or .22 cents per Mcf.

- (2) Tennessee filed decreased rates with the FERC to be effective July 1, 1986.
- (3) Western requested an effective date of September 1, 1986, for its decrease. Because Tennessee's decrease was effective July 1, 1986, however, Western's decrease in rates should also be effective July 1, 1986.
- (4) Western requested in its filing that it be allowed to report the amount of excess revenues collected between July 1, 1986, and the date the proposed rates are implemented when it next files a refund plan. Because the excess revenues involved appear to be a very small amount, Western should hold any excess revenues to be returned to its customers with its next refund.
- (5) Western's adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839, dated December 1, 1983, are fair, just and reasonable and in the public interest and should be effective with gas supplied on and after July 1, 1986.

IT IS THEREFORE ORDERED that:

- (1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after July 1, 1986, instead of September 1, 1986, as Western requested.
- (2) Within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.
- (3) With its next refund plan, Western shall include the amount of excess revenues collected from July 1, 1986, to the date the proposed rates are implemented.

Done at Frankfort, Kentucky, this 21st day of August, 1986.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

June

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ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8839-CC DATED 8/21/86

The following rates and charges are prescribed for the customers in the area 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 effective date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$.6141) per Mcf of gas used during the billing period.

The base rate for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

Texas Gas Transmission Corp.

	Demand-1	Demand-2	Commodity	Gas Rate
G-2	\$4.50	\$.1175	\$2.5434	-0-
G-3	4.77	•1294	2.5683	-0-
G-4	4.96	.1388	2.5857	-0-

Tennessee Gas Pipeline Co.

	GS-2	-0-		.6581/Mcf	2.3587/Mcf
Local	Producers		-0-	-0-	2.5683/Mcf