

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF WESTERN) CASE NO. 95-010
KENTUCKY GAS COMPANY)

O R D E R

On February 10, 1995, Western Kentucky Gas Company ("Western"), a division of Atmos Energy Corporation, applied to increase its revenues by approximately \$7.7 million using an historical test year.

On July 18, 1995, the parties, namely: Western; the Attorney General of the Commonwealth of Kentucky through his Public Service Litigation Branch; Shirley Manley, represented by the Office of Kentucky Legal Services, Inc. and the Appalachian Research and Defense Fund, Inc.; the Kentucky Industrial Utility Customers; Commonwealth Energy Services, Inc.; CMS Gas Marketing; Southern Gas Company; and, David Spainhoward filed a Joint Stipulation and Recommendation ("Settlement") resolving, to their satisfaction, the issues in this case. The Settlement is attached as Appendix A. The parties have expressed their agreement to submit the Settlement on the record and have waived their right to a formal hearing.

The parties urge the Commission to review and accept this Settlement in its entirety as a reasonable resolution to this proceeding. While the overall reasonableness of the Settlement is an important factor, the Commission is bound by law to act in the public interest and review all elements of the Settlement. In

determining whether the results of the Settlement are in the public interest and beneficial to the ratepayers, the Commission considered the fact that the Settlement is unanimous and that the participation of these parties ensures a wide range of interests was represented. After consideration of the record in this case, a review of the Settlement and being otherwise sufficiently advised, the Commission finds the Settlement to be generally reasonable. Although acceptance of the Settlement is not without conditions, the modifications described herein should not affect the agreement significantly.

The Settlement provides that Western will collect approximately \$2.3 million in additional annual revenue from rates proposed to become effective August 1, 1995; and, approximately \$1.0 million in additional annual revenue from rates proposed to become effective August 1, 1996.

The rates agreed to by the parties reflect recovery of expenses for postretirement benefits other than pensions, including amortization of the initial transition obligation consistent with Statement of Financial Accounting Standards No. 106. Western's practices of funding only a portion of its other postretirement employee benefits ("OPEBs") and of funding internally rather than using a protected fund administered by a third party are of concern. At a minimum, Western should fund its OPEB obligation to the extent that its expenditures to do so are tax deductible. Western should be prepared in future rate proceedings to justify its level of funding.

The Settlement also includes the following proposed nonrecurring charges: the charge to "turn on new service with meter set" is established at \$28.00, the charge to "turn on service (shut-in test required)" is established at \$18.00, and the charge to "turn on service (meter read only required)" is established at \$10.00, with all three charges being waived for qualified low income (LIHEAP) participants. Western's proposed returned check fee will increase from \$10.00 to \$15.00.

Under the settlement, Western withdraws its proposals 1) to establish a "reconnect delinquent service charge"; 2) to assume ownership of customer service lines; 3) to include working gas inventory carrying charges as a component of its gas cost recovery mechanism; and, 4) to reduce the volumetric threshold for its Large Volume Sales (LVS-1 and LVS-2) tariff.

Western also agrees to seek approval of a Firm Carriage T-4 tariff (a modified version of its T-3) effective September 1, 1995, to offer a high priority gas transportation service with no underlying sales service to qualifying customers. The settlement provides that the T-4 simple margin will be identical to the simple margin of Western's other firm services, with the same non-commodity component as the T-3 Interruptible Carriage Service.

Western agrees to initiate a pilot Demand Side Management (DSM) Program/Low Income Customer Assistance Program to assist qualifying customers during the 1996 heating season. Western has accepted a three-year program and has committed funding up to \$450,000 a year. The parties have agreed to work together to

establish a plan and seek to reduce the energy bills of as many as 300 low income customers per year.

Thus, the Settlement merely establishes a framework for developing a program which will qualify for rate recovery under KRS 278.285. No specific programs or related cost recovery mechanism have been included. Therefore, the Commission makes no decision or findings of fact related to any portion of the DSM provisions included in the Settlement.

As proposed in the Settlement, the Commission will approve a deviation from 807 KAR 5:022, Section 8(2)(c) to allow Western to charge customers for furnishing and installing electronic flow measuring ("EFM") equipment. The parties seek approval of an option allowing customers needing this equipment to pay a monthly facilities charge. However, no cost support in the record for the proposed facilities charges was provided nor is there any justification for requiring customers to pay in perpetuity for equipment that has a finite service life. The Commission will therefore permit Western to charge customers a monthly amount, in lieu of a lump sum, for the cost of EFM equipment necessary to reimburse Western for the actual cost of the equipment and reasonable carrying charges. The duration of the charge shall be subject to agreement between Western and the affected customer.

Implementation of this decision will require Western to delete the references to EFM facilities charges under the headings Net Monthly Rate or Net Monthly Bill on Tariff Sheets No. 16, 34, 35, 40, and 41 along with the monthly charges as shown on Sheet 51.

The last sentence of the EFM paragraphs on Sheets No. 36 and 42 should be modified to read as follows: "Customers required to install EFM equipment may elect to pay for such equipment via a monthly payment which reimburses the Company for the cost of the equipment, including carrying charges, over a period of time to be agreed upon by the Company and the customer."

The parties agreed to adopt the depreciation study filed by Western, but would retain the existing 3.5 percent annual depreciation rate for Account Nos. 376 (Mains) and 380 (Services).

Western's depreciation study was completed in 1994 and includes an analysis of historical retirement activity data for the last six years. Western feigns ignorance of depreciation studies performed prior to Atmos Energy's acquisition of it in 1987. However, Western has been in operation as a gas distribution utility for over 50 years and consideration of additional historical information on its depreciable property is essential to establishing reasonable depreciation rates. Analysis of only six years of retirement activity is insufficient for changing Western's depreciation rates. The Commission therefore rejects that portion of the Settlement which establishes depreciation rates based on Western's depreciation study. Western shall continue to accrue depreciation using the rates in effect prior to the study.

IT IS THEREFORE ORDERED that:

1. The Settlement is approved as modified in this Order.
2. The rates included in Attachment A to the Settlement are approved for service rendered on and after the date of this Order.

The base rates included in Attachment B of the Settlement are approved for service rendered on and after August 1, 1996.

3. The EFM facilities charges rates contained in Sheet 51 of Western's proposed tariffs are denied. Within 20 days of the date of this Order, Western shall file revised tariff sheets which conform to this Order.

4. The Firm Carriage Service Rate T-4 as set out in Appendix D is approved effective September 1, 1995.

5. Western's proposal to adjust its depreciation rates is denied.

6. Any party wishing to exercise its right to withdraw under the Settlement because of modifications ordered herein shall notify the Commission in writing within 10 working days of the date of this Order. If the Settlement is withdrawn, this Order shall be vacated.

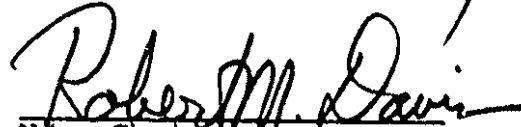
7. Within 20 days from the date of this Order, Western shall file with the Commission its revised tariff sheets setting out the rates and tariffs approved for service rendered on and after the date of this Order, as well as the Firm Carriage Service Rate T-4 tariff effective September 1, 1995. At least 10 days prior to the effective date, Western shall file its revised tariffs setting out


the rates approved for service rendered on and after August 1, 1996.

Done at Frankfort, Kentucky, this 10th day of August, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL 18 1995

**PUBLIC SERVICE
COMMISSION**

In the Matter of:

**AN ADJUSTMENT OF RATES OF)
WESTERN KENTUCKY GAS COMPANY)**

CASE NO. 95-010

JOINT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely Western Kentucky Gas Company ("Western" or "the Company"); the Attorney General of the Commonwealth of Kentucky ("Attorney General"); Shirley Manley, represented by the Office of Kentucky Legal Services, Inc. and the Appalachian Research and Defense Fund, Inc. ("Residential Intervenors"); the Kentucky Industrial Utility Consumers ("KIUC"); and Commonwealth Energy Services, Inc. ("Commonwealth"); CMS Gas Marketing ("CMS"); Southern Gas Company ("Southern"), and David Spainhoward ("Spainhoward") to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding.

It is understood by all parties hereto that this Stipulation and Recommendation is not binding upon the Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to Western's revenues or rates. The parties have expended considerable efforts to reach the agreements which form the basis of this Stipulation and Recommendation. All of the parties, representing diverse

interests and divergent viewpoints, agree that this Stipulation and Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

In addition, the adoption of this Stipulation and Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein. In summary, per this Stipulation and Recommendation, Western will be permitted to receive an initial net increase of approximately \$2.3 million in annual revenue. Thereafter, Western will be permitted to receive an additional increase of \$1.0 million in annual revenue to be effective one year after the date that the initial rates for the Stipulation and Recommendation become effective. Inter alia, Western agrees to initiate a pilot Demand Side Management Program. It is the position of the parties hereto that this Stipulation and Recommendation is supported by sufficient and adequate data and information, and is entitled to serious consideration by the Commission. Based upon the parties' participation in settlement conferences and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

1. Western should be permitted to adjust its rates in order to permit it to recover approximately \$140,910,052 in annual revenue, with such rates intended to be effective for service rendered on and after August 1, 1995. The parties agree, for the purpose of this Stipulation and Recommendation, that the related revenue from present rates is \$138,910,052. In addition to the initial \$2,000,000 increase, the attached rates compensate Western for a known decline in test revenues resulting from lower overall rates contained in four special contracts filed by Western with the Commission on June 2, 1995. The pro-forma tariff sheets attached hereto as

Attachment A are recommended as reflecting the new rates intended to be effective as of the aforementioned date. These pro-forma tariff sheets further reflect rates which are designed to allow Western to recover the additional revenue from its various classes of customers, in the manner agreed to by the parties to this Stipulation and Recommendation.

2. Western should further be permitted to adjust its rates in order to permit it to recover approximately \$1,000,000 in additional annual revenue, with such rates intended to be effective for service rendered on and after the latter of August 1, 1996, or exactly one year after the effective date of the Attachment A initial rates or such rates as Western may place in effect subject to refund pursuant to KRS 278.190(2). The pro-forma tariff sheets attached hereto as Attachment B are recommended as reflecting the new rates intended to be effective as of the aforementioned date. These pro-forma tariff sheets further reflect rates which are designed to allow Western to recover the additional revenue from its various classes of customers, in the manner agreed to by the parties to this Stipulation and Recommendation.

3. Additionally, the agreed tariffs (Attachments A and B) reflect the following changes to Western's proposed rates, as filed:

(a) A reduction in the proposed firm service monthly base charge for residential (\$7.25 per meter per month—proposed) to \$5.10 per meter per month and for non-residential (\$16.75 per meter per month—proposed) to \$13.60 per meter per month. The agreed charges are a \$.75 and \$2.00 per month increase for residential and non-residential service, respectively.

(b) The "reconnect delinquent service" charge will remain at the current level of \$0.00. The charges for "turn on new service with meter set," "turn on service (shut-in test required)," and "turn on service (meter read only required)" are waived for qualified low income

applicants ("LIHEAP participants"). The "field collection" charge will remain at the current level of \$5.00.

(c) Western's proposed changes in its customer service line policy, as reflected in the Company's proposed First Revised Sheet Nos. 78 and 79 are withdrawn.

(d) Western's proposal to recover the Working Gas Inventory Carrying Cost ("WGICC") through its Rider GCA is withdrawn. The Company's return requirement related to working gas inventory is recovered instead in the simple margin of the attached tariffs.

(e) Western's proposed change to the "Availability of Service" section of its Large Volume Sales ("LVS-1 and LVS-2") tariff (proposed First Revised Sheet No. 21) reducing the volumetric criteria from 36,500 mcf/year to 9,000 mcf/year is withdrawn.

(f) An option has been added for customers who are otherwise required to pay for the installation of electronic flow measurement ("EFM") equipment to instead pay a monthly facilities charge of \$105.00 per month for Class I equipment (EFM equipment with a cost, including installation, less than \$7,500.00) and \$210.00 per month for Class II equipment (EFM equipment with a cost, including installation, more than \$7,500.00). Also the proposed EFM requirement is reduced to exclude customers with requirements less than 300 mcf/day (if a backup gas supply satisfactory to Western has been arranged) or less than 100 mcf/day (without a backup gas supply satisfactory to Western).

The Company's proposal, with the changes agreed upon, are acceptable to the parties and are reflected in the proposed tariff sheets attached to this Stipulation and Recommendation as Attachments A and B.

4. A side-by-side comparison of the current Western tariff sheets and the respective Attachment A agreed tariff sheets are attached hereto as Attachment C.

5. With regard to the agreed returned check fee which is increased from a current charge of \$10.00 to \$15.00, Western agrees to notify its customers of this change by bill insert or other reasonable communication medium no later than one hundred and twenty days following the effective date of the new rates agreed to in this Stipulation and Recommendation.

6. The parties agree to, and Western shall observe, an annual depreciation rate of 3.50% for its assets recorded in Uniform Account Nos. 376 (Mains) and 380 (Services) as was proposed by Attorney General witness Mr. Thomas C. DeWard (Exhibit TCD-1, Schedule 43). All other depreciation rates shall follow the Company's most recent depreciation study filed in this case.

7. The parties agree that the rates agreed to in this Stipulation and Recommendation reflect recovery, as proposed by Western, of post-retirement benefits other than pensions ("OPEB"), including amortization (based on a twenty-year straight line amortization) of the initial OPEB transition obligation, consistent with Statement of Financial Accounting Standards No. 106 (Employers' Accounting for Postretirement Benefits other than Pensions).

8. Western agrees to proceed expeditiously to comply with all notice and other requirements to secure legal effect to the Firm Carriage T-4 tariff set forth in Attachment D. All parties agree to support or not oppose Western's proposed T-4 tariff. The proposed T-4 service will be a high priority ("Firm") version of Western's current carriage T-3 service. As such, the T-4 simple margin is identical to the simple margin of the other firm services.

9. Western agrees to initiate a pilot Demand Side Management Program (DSM)/Low Income Customer Assistance Program. This program will be directed toward Western's low income customers and shall assist them in weatherization of their dwelling, in the payment of arrearages and such other assistance or conservation matters as may be relevant. Western desires

to help these customers because they are the ones with difficult payment problems and their dwellings are typically in the worst condition.

To enhance the success of the program, Western agrees to work with a collaborative work group made up of an internal team and representation from Kentucky Legal Services, Inc., the Attorney General's office and community action agencies having expertise at working with low income customers' utility problems. The Commission shall be invited to participate also, at its discretion. The purpose of the collaborative will be to establish a practical, detailed plan for implementing the DSM program. Unless otherwise agreed to by Western, all programs will be designed to qualify for full or partial rate recovery pursuant to KRS 278.285. Provided, however, Western will commit to fund the pilot programs for three years regardless of the effectiveness of cost recovery.

Western agrees that the pilot program will have a minimum duration of three years, with funding sufficient to assist up to a maximum of 300 low income customers per year with a target maximum of \$1500 for each household to assist in reducing the cost of low income customers' energy bills. Western's financial commitment is up to, but not to exceed, \$450,000 a year.

Western agrees to work with the Kentucky Association for Community Action and the local Community Action agencies in its service area to help administer the program.

Western agrees that the program will, if reasonably feasible, be initiated in time that customers may begin to enjoy the program's benefits with the 1996 heating season.

10. The parties support or do not oppose the grant of a waiver of 807 KAR 5:022 Section 8(2)(c) to Western related to its proposal to charge for the furnishing and installation of electronic flow measurement ("EFM") equipment.

11. Attached to this Stipulation and Recommendation as Attachment E are proof-of-revenue sheets, showing that the rates set forth in Attachments A and B will generate the proposed revenue increases to which the parties have agreed in Paragraphs 1 and 2 hereof.

12. Each party hereto waives all cross-examination of the witnesses of the other parties hereto unless the Commission disapproves this Stipulation and Recommendation, and each party further stipulates and recommends that the Notice of Intent, Notice, Application, and testimony filed in this proceeding be admitted into the record.

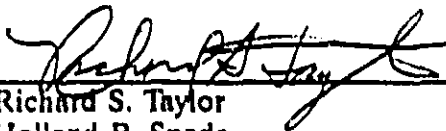
13. This Stipulation and Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Western or any other utility.

14. If the Commission issues an order adopting this Stipulation and Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission nor an appeal to the Franklin Circuit Court with respect to such order.

15. If this Stipulation and Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved herein, and that in such event the terms of this Stipulation and Recommendation shall not be deemed binding upon the parties hereto, nor shall such Stipulation and Recommendation be admitted into evidence or referred to or relied upon in any manner by any party hereto, the Commission, or its Staff in any such hearing.

16. All of the parties hereto agree that the foregoing Stipulation and Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Stipulation and Recommendation in its entirety.

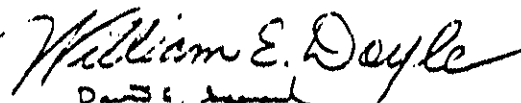
AGREED, on or about this 13th day of July, 1995.



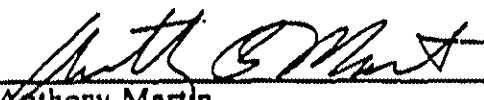
Richard S. Taylor
Holland B. Spade
HAZELRIGG AND COX

Lee Allen Everett
ATMOS ENERGY CORPORATION

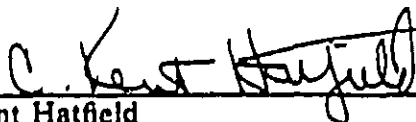
COUNSEL FOR WESTERN KENTUCKY GAS COMPANY



David E. Spenard
Dennis Howard
William Doyle
on behalf of KENTUCKY ATTORNEY GENERAL



Anthony Martin
Kay Guinane
Office of Kentucky Legal Services, Inc. and
Appalachian Research and Defense Fund, Inc.
on behalf of SHIRLEY MANLEY

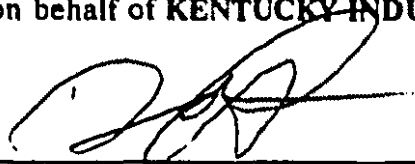


Kent Hatfield
on behalf of COMMONWEALTH ENERGY SERVICES, INC.



John N. Hughes
on behalf of CMS MARKETING

David Boehm
on behalf of KENTUCKY INDUSTRIAL UTILITY CONSUMERS



David Stetson
on behalf of SOUTHERN GAS COMPANY

David Spainhoward

David Boehm
on behalf of KENTUCKY INDUSTRIAL UTILITY CONSUMERS

David Stetson
on behalf of SOUTHERN GAS COMPANY

David Spalnhoward 7/13/95
David Spalnhoward

David P. Boehm

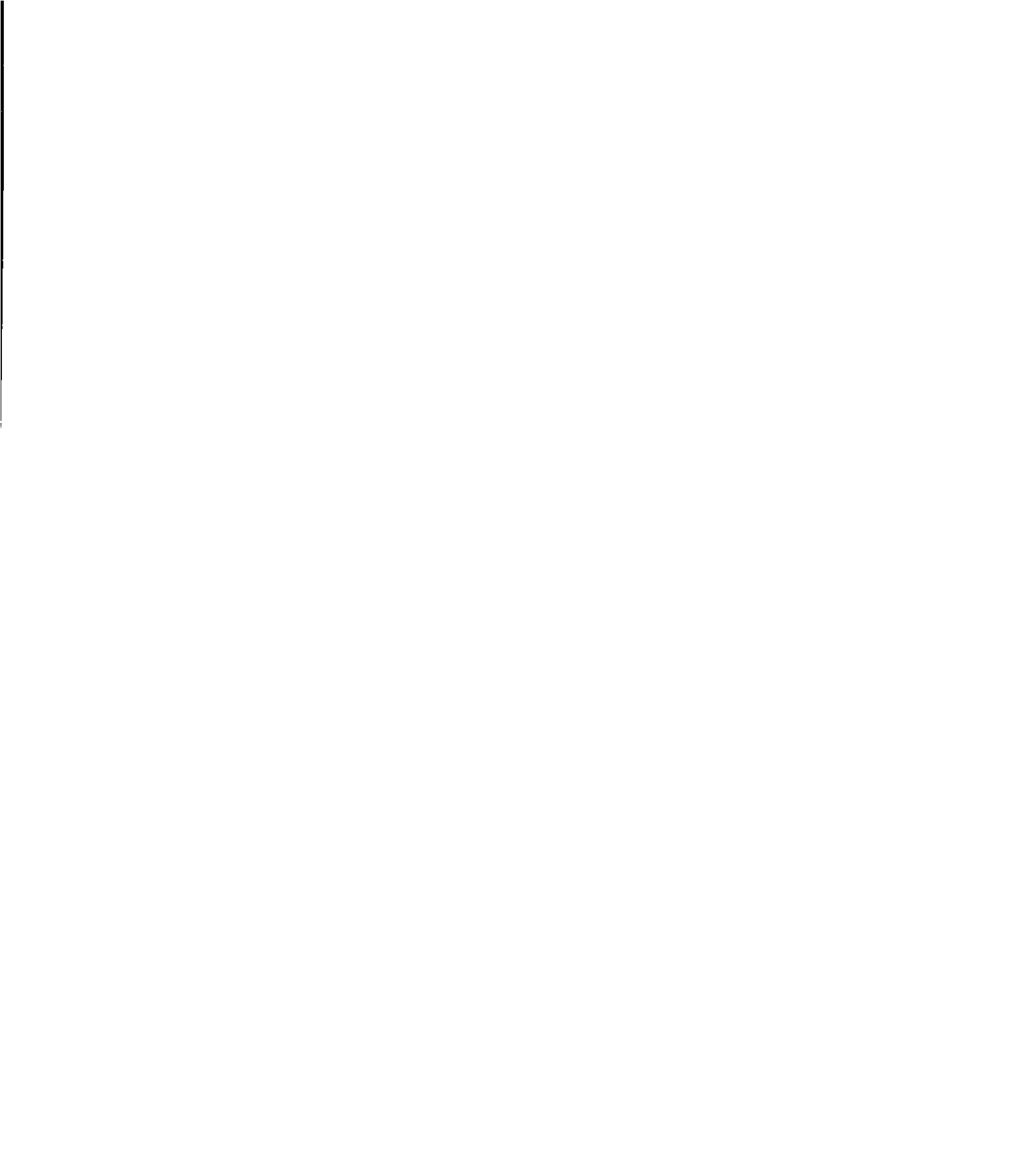
David Boehm

on behalf of **KENTUCKY INDUSTRIAL UTILITY CONSUMERS**

David Stetson

on behalf of **SOUTHERN GAS COMPANY**

David Spainhoward



WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Current Rate Summary					
Case No. 95-010 (Stipulation)					
<u>Firm Service</u>					
Base Charge:					
	Residential	-		\$5.10	per meter per month
	Non-Residential	-		13.60	per meter per month
	Transportation Administration Fee	-		45.00	per customer per month
			<u>Sales (G-1)</u>		<u>Transport (T-2)</u>
First	300 ¹ Mcf		@ \$3.7761 per Mcf		@ \$1.9941 per Mcf
Next	14,700 ¹ Mcf		@ 3.3239 per Mcf		@ 1.5419 per Mcf
Over	15,000 Mcf		@ 3.1739 per Mcf		@ 1.3919 per Mcf
<u>High Load Factor Firm Service</u>					
	HLF demand charge/Mcf		@ \$5.5145		@ \$5.5145 per Mcf of daily Contract Demand
First	300 ¹ Mcf		@ \$3.0593 per Mcf		@ \$1.2773 per Mcf
Next	14,700 ¹ Mcf		@ \$2.6071 per Mcf		@ \$0.8251 per Mcf
Over	15,000 Mcf		@ \$2.4571 per Mcf		@ \$0.6751 per Mcf
<u>Interruptible Service</u>					
	Base Charge	-		\$150.00	per delivery point per month
	Transportation Administration Fee	-		45.00	per customer per month
			<u>Sales (G-2)</u>		<u>Transport (T-2)</u>
First	15,000 ¹ Mcf		@ \$2.6557 per Mcf		@ \$0.8737 per Mcf
Over	15,000 Mcf		@ 2.5057 per Mcf		@ 0.7237 per Mcf
					<u>Carriage (T-3)</u>
					@ \$0.4865 per Mcf
					@ 0.3365 per Mcf
¹ All gas consumed by the customer (sales, transportation, and carriage; firm, high load factor, and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.					

(N)

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated _____.)

ISSUED BY: _____ Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Current Gas Cost Adjustments			
Case No. 95-010 (Stipulation)			
Applicable			
For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).			
GCA = (EGC - BCOG) + CF + RF			
Gas Cost Adjustment Components	G - 1	HLF G - 1	G - 2
EGC (Expected Gas Cost Component)	\$2.9673	\$2.2505	\$2.2505 per Mcf
BCOG (Base Cost of Gas)	3.4331	2.6513	2.6513
EGC - BCOG	<u>(0.4658)</u>	<u>(0.4008)</u>	<u>(0.4008)</u>
CF (Correction Factor)	0.0286	0.0286	0.0286
RF (Refund Adjustment):			
Case 92-558H, effective 9/1/94	0.0000	0.0000	0.0000
Case 92-558I, effective 10/1/94	0.0000	0.0000	0.0000
Case 92-558J, effective 11/1/94	(0.0495)	(0.0495)	(0.0153)
Case 92-558K, effective 12/1/94	0.0000	0.0000	0.0000
Case 92-558L, effective 1/1/95	0.0000	0.0000	0.0000
Case 92-558M, effective 2/1/95	(0.0911)	(0.0911)	(0.0363)
Case 92-558N, effective 3/1/95	0.0000	0.0000	0.0000
Case 92-558O, effective 4/1/95	(0.0344)	(0.0344)	(0.0099)
Case 92-558P, effective 5/1/95	0.0000	0.0000	0.0000
Case 92-558Q, effective 6/1/95	0.0000	0.0000	0.0000
Case 92-558R, effective 7/1/95	(0.0555)	(0.0555)	(0.0555)
Case 92-558S, effective 8/1/95	0.0000	0.0000	0.0000
RF Total	<u>(0.2305)</u>	<u>(0.2305)</u>	<u>(0.1170)</u>
GCA (Gas Cost Adjustment)	<u><u>(\$0.6677)</u></u>	<u><u>(\$0.6027)</u></u>	<u><u>(\$0.4892)</u></u> per Mcf

(R , N , R)
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(I , N , I)
(R , N , I)

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Current Transportation and Carriage

Case No. 95-010 (Stipulation)

The General Transportation Tariff Rate T-2 and Carriage Service (Rates T-3 & T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage: 2.1%

				<u>Simple Margin</u>		<u>Non- Commodity Component</u>		<u>Gross Margin</u>	
<u>Transportation Service (T-2) ¹</u>									
a) <u>Firm Service</u>									
First	300 ²	Mcf	@	\$1.0107	+	\$0.9834	=	\$1.9941 per Mcf	(I)
Next	14,700 ²	Mcf	@	0.5585	+	0.9834	=	1.5419 per Mcf	(R)
All over	15,000	Mcf	@	0.4085	+	0.9834	=	1.3919 per Mcf	(R)
b) <u>High Load Factor Firm Service (HLF)</u>									
Demand			@	\$0.0000	+	\$5.5145	=	\$5.5145 per Mcf of daily contract demand	(N)
First	300 ²	Mcf	@	\$1.0107	+	\$0.2666	=	\$1.2773 per Mcf	(N)
Next	14,700 ²	Mcf	@	0.5585	+	0.2666	=	0.8251 per Mcf	(N)
All over	15,000	Mcf	@	0.4085	+	0.2666	=	0.6751 per Mcf	(N)
c) <u>Interruptible Service</u>									
First	15,000 ²	Mcf	@	\$0.4936	+	\$0.3801	=	\$0.8737 per Mcf	(R)
All over	15,000	Mcf	@	0.3436	+	0.3801	=	0.7237 per Mcf	(R)
<u>Carriage Service ³</u>									
<u>Interruptible Service (T-3)</u>									
First	15,000 ²	Mcf	@	\$0.4936	+	(\$0.0071)	=	\$0.4865 per Mcf	(N)
All over	15,000	Mcf	@	0.3436	+	(0.0071)	=	0.3365 per Mcf	(N)

¹ Includes standby sales service under corresponding sales rates. (T)

² All gas consumed by the customer (Sales and transportation; firm, high load factor, interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

³ Excludes standby sales service.

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated

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ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

General Firm Sales Service
Rate G-1

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company.

3. Net Monthly Rate

a) Base Charge:

\$ 5.10 per meter for residential service

\$13.60 per meter for non-residential service

(1)

(1)

b) Commodity Charge:

First¹ 300 Mcf @ \$4.4438 per 1,000 cubic feet

Next¹ 14,700 Mcf @ 3.9916 per 1,000 cubic feet

Over 15,000 Mcf @ 3.8416 per 1,000 cubic feet

(1)

(R)

(R)

c) Gas Cost Adjustment (GCA) Rider

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

(T)

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WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

General Firm Sales Service
Rate G-1

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Commodity Charge, and adjustments under the Gas Cost Adjustment (GCA) rider.

5. Minimum Monthly Bill

- a) The Base Charge plus any High Load Factor (HLF) demand charge.
- b) In addition to the minimum monthly charge, customers assigned seasonal volumes under the Company's Curtailment Plan will be billed a minimum seasonal charge equal to 80% of their Adjusted Seasonal Volumes times the last step in the rate.
- c) The minimum bill requirements will be adjusted to make allowance for any time that gas was not available, and for any causes due to force majeure, which includes acts of God, strikes, lockouts, civil commotion, riots and fires. Voluntary reductions in a customer's base period volumes for a season will be accepted upon application by the customer no later than 30 days prior to the beginning of the season in which the reduction is desired. The reduction will be eliminated for the following season unless a continuance of the reduction is requested by the customer in writing 30 days before the beginning of the next season.

(7)

To the extent that a voluntary reduction for a winter season is continued in the following winter season the reduction will be made permanent for winter seasons.

To the extent that a voluntary reduction for a summer season is continued in the following summer season the reduction will be made permanent for summer seasons.

6. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

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WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Interruptible Sales Service
Rate G-2

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

- a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier.
- b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgment, requires and justifies such combination service.
- c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.

(T)

3. Delivery Volumes

- a) The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis and shall be subject to revision in accordance with the Company's approved curtailment plan.

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WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Interruptible Sales Service

Rate G-2

b) High Priority Service

The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.

c) Interruptible Service

The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.

d) Revision of Delivery Volumes

The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

- a) Base Charge: \$150.00 per delivery point per month.
- Minimum Charge: The Base Charge plus any Transportation Administration Fee and EFM facilities charge.
- b) Commodity Charge:

(1)
(7)

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

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WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Interruptible Sales Service
Rate G-2

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First¹ 15,000 Mcf @ \$ 3.1449 per 1,000 cubic feet
Over 15,000 Mcf @ 2.9949 per 1,000 cubic feet

(R)
(R)

c) Gas Cost Adjustment (GCA) Rider

d) Minimum Bill

A minimum seasonal bill shall apply and shall be computed as follows:

- 1) The minimum summer seasonal bill shall apply to the period April 1, through October 31.
- 2) The minimum winter seasonal bill shall apply to the period November 1, through March 31.
- 3) The minimum seasonal bill shall be calculated as the product of 80% of the adjusted seasonal volumes times the rate per Mcf in effect on the last day of the season.
- 4) Any billing for a deficiency under the seasonal minimum bill shall be made within 60 days of the end of the month of the season and shall be due and payable on or before the 20th of the following month.

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

(T)

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WESTERN KENTUCKY GAS COMPANY

Large Volume Sales		
Rates LVS-1 (High Priority), LVS-2 (Low Priority)		
1. <u>Applicable</u>		
Entire Service Area of the Company. (See list of towns - Sheet No. 3)		
2. <u>Availability of Service</u>		
Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.		
3. <u>Net Monthly Rate</u>		
a) <u>Base Charge:</u>		
LVS-1 Service	\$ 13.60 per Meter	(1)
LVS-2 Service	150.00 per Meter	(1)
Combined Service	150.00 per Meter	(1)
b) <u>Simple Margin for LVS-1 Service</u>		
First ¹ 300 Mcf @	\$ 1.0107 per Mcf	(1)
Next ¹ 14,700 Mcf @	0.5585 per Mcf	(A)
Over 15,000 Mcf @	0.4085 per Mcf	(A)
c) <u>Simple Margin for LVS-2 Service</u>		
First ¹ 15,000 Mcf @	\$ 0.4936 per Mcf	(1)
Over 15,000 Mcf @	0.3436 per Mcf	(1)
¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.		(T)

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WESTERN KENTUCKY GAS COMPANY

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

- d) The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.
- f) The True-up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.
- g) Notice of the Weighted Average Commodity Gas Cost and True-up Adjustment will be filed with the Commission prior to billing.

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the High Load Factor demand charge, the Simple Margin, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-up Adjustment. (T)

5. Minimum Monthly Bill

- a) The Base Charge and High Load Factor demand charge. (T)
- b) In addition to the Base Charge, customers assigned seasonal volumes under the Company's Curtailment Plan will be billed a minimum seasonal charge equal to 80% of their Adjusted Seasonal Volumes times the following:
 - 1) Last step of applicable Simple Margin,
 - 2) Non-Commodity Components and
 - 3) Weighted Average Commodity Gas Cost in effect at the time the minimum bill is assessed.

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WESTERN KENTUCKY GAS COMPANY

**Gas Cost Adjustment
Rider GCA**

EGC is composed of the following:

- 1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a commodity basis.
- 2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a non-commodity basis.
- 3) The cost of other gas sources for system supply (no-notice supply, Company storage withdrawals, etc.).

Less

- 4) The cost of gas purchases expected to be injected into underground storage.
- 5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions. (T)
- 6) Projected recovery of non-commodity and commodity costs from LVS-1 and LVS-2 transactions.
- 7) The cost of Company-use volumes.
- 8) Projected recovery of non-commodity costs from High Load Factor (HLF) demand charges. (T)

BCOG- is the Base Cost of Gas per 1,000 cubic feet (Mcf):

- 1) \$ 3.4331 for General Sales Service (G-1) (A)
- 2) \$ 2.6513 for Interruptible Sales Service (G-2) (A)

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WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment
Rider GCA

CF- is the Correction Factor per Mcf which compensates for the difference between the expected gas cost and the actual gas cost for prior periods.

The Company shall file an updated Correction Factor (CF) in its March and September monthly GCA filings, to become effective in April and October, respectively. The March filing shall update the CF for the six months ended December period while the September filing shall update the CF for the six months ended June period.

RF- is the sum of any Refund Factors filed in the current and eleven preceding monthly filings. The current Refund Factor reflects refunds received from suppliers during the reporting period. The refund factor will be determined by dividing the refunds received plus estimated interest¹, by the annual sales used in the monthly filing less transported volumes. After a refund factor has remained in effect for twelve months, the difference in the amount received and the amount refunded plus the accrued interest¹ will be rolled into the next refund calculation. The refund account will be operated independently of the CF and only added as a component to the GCA in order to obtain a net GCA. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.

¹ At a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less 1/2 of 1% to cover the costs of refunding as stated in the KPSC Order from Case No. 7157-KK. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

4. High Load Factor (HLF) Option

Customers with daily contract demands for firm service of 240 Mcf or greater may elect to contract for High Load Factor (HLF) service and will be applicable to G-1, LVS-1, and T-2/G-1 services.

The HLF option provides for billing of the non-commodity costs in the EGC applicable only to firm service on the basis of daily contract demand rather than on a commodity basis.

(7)

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WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

1. Applicable

Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).

2. Availability of Service

Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.

(T)

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) Transportation Administration Fee -- \$45.00 per customer per month

(N)

b) Simple Margin for High Priority Service

First ¹	300 Mcf	@	\$1.0107	per Mcf
Next ¹	14,700 Mcf	@	0.5585	per Mcf
Over	15,000 Mcf	@	0.4085	per Mcf

(I)

(R)

(R)

c) Simple Margin for Low Priority Service

First ¹	15,000 Mcf	@	\$0.4936	per Mcf
Over	15,000 Mcf	@	0.3436	per Mcf

(I)

(I)

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

(T)

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).

(T)

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

(T)

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WESTERN KENTUCKY GAS COMPANY

General Transportation Service

Rate T-2

4. Net Monthly Bill

The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Gross Margin (Simple margin plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge under Rates G-1 and G-2.

(T)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

(T)

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

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WESTERN KENTUCKY GAS COMPANY

**General Transportation Service
Rate T-2**

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities. (T)

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}} \quad (T)$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities. (T)
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. (T)

The Imbalance will be resolved by use of the following procedure:

- a) If the Imbalance is negative, then the customer will be billed for the Imbalance volumes at the Company's applicable sales rate.

If the Imbalance is positive, then the Company will "bank", for one billing period, volumes up to 10% of the customer's "MCF_{Company}". The Company will purchase the Imbalance volumes, if any, in excess of the banked volumes from the customer at the prices described in the following "Cash out" method stated in item (b). (T)

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General Transportation Service
Rate T-2

b) "Cash out" Method

<u>Imbalance volumes</u>	@	<u>Cash-out Price</u>
First ¹ 5% of Mcf _{Customer}	@	100% of Index Price ²
Next ¹ 5% of Mcf _{Customer}	@	90% of Index Price ²
Over ¹ 10% of Mcf _{Customer}	@	80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

- c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.
- d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered into the Company's facilities with volumes the Company delivered into customer's facilities.
- e) Banked positive imbalance volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account. Banked volumes may be used by the Company for system supply or stored during the interim period.

(7)

7. Special Provisions

- a) Service under this Rate Schedule entitles the customer to purchase sales gas from the Company at the applicable tariff rates when its supply requirements exceed the nominated volume. The customer is entitled to purchase natural gas from the Company consistent with the applicable Sales Rate Schedule.

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WESTERN KENTUCKY GAS COMPANY

General Transportation Service

Rate T-2

- b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to a daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communication support services related to the EFM equipment. Provided, however, EFM equipment is not required for customers whose contractual requirements with the Company are less than 300 MCF/Day. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No.51).

(T)

8. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.
- c) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum contracted volumes.
- d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.
- e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

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WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

(T)

10. Miscellaneous - GF Provision

The Volumetric criteria in Section 2. "Availability of Service", above is waived for customers who were subscribed to T-2 service on December 22, 1993. As to each such customer, this waiver provision will expire upon the effective date of any new, Commission approved gas transportation service for which that customer qualifies.

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities. (T)
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- a) Base Charge - \$150.00 per delivery point (I)
- b) Transportation Administration Fee - 45.00 per customer per month (N)

c) Simple Margin for Interruptible Service

First ¹	15,000 Mcf	@	\$0.4936 per Mcf	(I)
Over	15,000 Mcf	@	0.3436 per Mcf	(I)

- d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing. (T)

- e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51). (T)

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved. (T)

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WESTERN KENTUCKY GAS COMPANY

**Interruptible Carriage Service
Rate T-3**

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Simple Margin and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)

(T)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

(T)

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities. (T)

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}} \quad (T)$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities. (T)

2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.

3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. (T)

The Imbalance volumes will be resolved by use of the following procedure:

a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff. (T)

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b). (T)

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Interruptible Carriage Service

Rate T-3

b) "Cash out" Method

Imbalance volumes

Cash-out Price

First ¹ 5% of Mcf _{Customer}	@ 100% of Index Price ²
Next ¹ 5% of Mcf _{Customer}	@ 90% of Index Price ²
Over ¹ 10% of Mcf _{Customer}	@ 80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

- c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.
- d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.
- e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF_{Company}", on a monthly basis at 10¢/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

(7)

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WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service

Rate T-3

7. Curtailment

- a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.
- b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communication support services related to the EFM equipment. Provided, however, EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 MCF/day. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 51).

A written contract with maximum daily and monthly carriage volumes and with a minimum term of one year shall be required.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

(T)

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company. (T)
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Special Charges		
Turn on new service with meter set *	\$28.00	(1)
Turn on service (shut-in test required) *	18.00	(1)
Turn on service (meter read only required) *	10.00	(1)
Reconnect delinquent service	no charge	
Reconnect service temporarily off at customers request	25.00	(1)
Termination or field collection charge	5.00	(1)
Special meter reading charge	no charge	
Meter test charge	20.00	
Returned check charge	15.00	(1)
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment –		
– Class 1 EFM equipment (less than \$7,500, including installation cost)	105.00 per mo.	(M)
– Class 2 EFM equipment (more than \$7,500, including installation cost)	210.00 per mo.	(M)
* Waived for qualified low income applicants ("LIHEAP participants")		

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated

.)

ISSUED:

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT B)

General Firm Sales Service
Rate G-1

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company.

3. Net Monthly Rate

a) Base Charge:

\$ 5.10 per meter for residential service
\$13.60 per meter for non-residential service

b) Commodity Charge:

First¹ 300 Mcf @ \$4.4946 per 1,000 cubic feet
Next¹ 14,700 Mcf @ 3.9916 per 1,000 cubic feet
Over 15,000 Mcf @ 3.8416 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.

3. Net Monthly Rate

a) Base Charge:

LVS-1 Service	\$ 13.60 per Meter
LVS-2 Service	150.00 per Meter
Combined Service	150.00 per Meter

b) Simple Margin for LVS-1 Service

First ¹	300 Mcf @ \$ 1.0615 per Mcf
Next ¹	14,700 Mcf @ 0.5585 per Mcf
Over	15,000 Mcf @ 0.4085 per Mcf

c) Simple Margin for LVS-2 Service

First ¹	15,000 Mcf @ \$ 0.4936 per Mcf
Over	15,000 Mcf @ 0.3436 per Mcf

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1996

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

1. Applicable

Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).

2. Availability of Service

Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) **Transportation Administration Fee** -- \$45.00 per customer per month

b) **Simple Margin for High Priority Service**

First ¹	300 Mcf	@	\$1.0615	per Mcf
Next ¹	14,700 Mcf	@	0.5585	per Mcf
Over	15,000 Mcf	@	0.4085	per Mcf

c) **Simple Margin for Low Priority Service**

First ¹	15,000 Mcf	@	\$0.4936	per Mcf
Over	15,000 Mcf	@	0.3436	per Mcf

d) **Applicable Non-Commodity Components** (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) **Electronic Flow Measurement ("EFM") facilities charge**, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P. S. C. No. 20
Twenty - fourth Revised SHEET No. 4
Cancelling
Twenty - third Revised SHEET No. 4

PROPOSED

For Entire Service Area
P. S. C. No. 20
Twenty - fourth Revised SHEET No. 4
Cancelling
Twenty - third Revised SHEET No. 4

WESTERN KENTUCKY GAS COMPANY

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

**Current Rate Summary
Case No. 92-566 B**

Firm Service
Meter Charge:
Residential - \$4.35 per meter per month
Non-Residential - 11.60 per meter per month

	Sales (Q-1)	Transport (T-2)
First 300 ¹ Mcf @	\$3.7818 per Mcf	@ \$1.9253 per Mcf
Next 14,700 ¹ Mcf @	3.6318 per Mcf	@ 1.7753 per Mcf
Over 15,000 ¹ Mcf @	3.4818 per Mcf	@ 1.6253 per Mcf

Interruptible Service
Base Charge: \$100.00 per delivery point per month

	Sales (Q-2)	Transport (T-2)
First 15,000 ¹ Mcf @	\$2.7141 per Mcf	@ \$0.8576 per Mcf
Over 15,000 ¹ Mcf @	2.5641 per Mcf	@ 0.7076 per Mcf

Carriage Service
Base Charge: \$100.00 per delivery point per month

	Transport (T-3)
First 15,000 ¹ Mcf	@ \$0.4704 per Mcf
Over 15,000 ¹ Mcf	@ 0.3204 per Mcf

¹ All gas consumed by the customer (sales and transportation, firm and interruptible and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

**Current Rate Summary
Case No. 95-010 (Stipulation)**

Firm Service
Base Charge:
Residential - \$5.10 per meter per month
Non-Residential - 13.60 per meter per month
Transportation Administration Fee - 45.00 per customer per month

	Sales (Q-1)	Transport (T-2)
First 300 ¹ Mcf @	\$3.7761 per Mcf	@ \$1.9941 per Mcf
Next 14,700 ¹ Mcf @	3.3239 per Mcf	@ 1.5419 per Mcf
Over 15,000 ¹ Mcf @	3.1739 per Mcf	@ 1.3919 per Mcf

High Load Factor Firm Service
HLF demand charge/Mcf @ \$5.5145 @ \$5.5145 per Mcf of daily Contract Demand

	Sales (Q-2)	Transport (T-2)
First 300 ¹ Mcf @	\$3.0593 per Mcf	@ \$1.2773 per Mcf
Next 14,700 ¹ Mcf @	\$2.6071 per Mcf	@ \$0.8251 per Mcf
Over 15,000 ¹ Mcf @	\$2.4571 per Mcf	@ \$0.6751 per Mcf

Interruptible Service
Base Charge - \$150.00 per delivery point per month
Transportation Administration Fee - 45.00 per customer per month

	Sales (Q-2)	Transport (T-2)	Carriage (T-3)
First 15,000 ¹ Mcf @	\$2.6557 per Mcf	@ \$0.8737 per Mcf	@ \$0.4865 per Mcf
Over 15,000 ¹ Mcf @	2.5057 per Mcf	@ 0.7237 per Mcf	@ 0.3365 per Mcf

¹ All gas consumed by the customer (sales, transportation, and carriage; firm, high load factor, and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: July 12, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

ISSUED: June 22, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-566 B dated)

ISSUED BY: *Lee Allen Ernst*

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 20
Twenty-fourth Revised SHEET No. 5
Cancelling
Twenty-third Revised SHEET No. 5

WESTERN KENTUCKY GAS COMPANY

Current Gas Cost Adjustments
Case No. 92-558 S

Applicable

For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).

$GCA = (EGC - BCOG) + CF + RF$

Gas Cost Adjustment Components	G - 1	G - 2
EGC (Expected Gas Cost Component)	\$3.0418 per Mcf	\$2.3250 per Mcf
BCOG (Base Cost of Gas)	3.4344	3.1771
EGC - BCOG	(0.3926)	(0.8521)
CF (Correction Factor)	0.0286	0.0286
RF (Refund Adjustment):		
Case 92-558H, effective 9/1/94	0.0000	0.0000
Case 92-558I, effective 10/1/94	0.0000	0.0000
Case 92-558J, effective 11/1/94	(0.0495)	(0.0153)
Case 92-558K, effective 12/1/94	0.0000	0.0000
Case 92-558L, effective 1/1/95	0.0000	0.0000
Case 92-558M, effective 2/1/95	(0.0911)	(0.0363)
Case 92-558N, effective 3/1/95	0.0000	0.0000
Case 92-558O, effective 4/1/95	(0.0344)	(0.0099)
Case 92-558P, effective 5/1/95	0.0000	0.0000
Case 92-558Q, effective 6/1/95	0.0000	0.0000
Case 92-558R, effective 7/1/95	(0.0555)	(0.0555)
Case 92-558S, effective 8/1/95	0.0000	0.0000
RF Total	(0.2305)	(0.1170)
GCA (Gas Cost Adjustment)	<u>(\$0.5945) per Mcf</u>	<u>(\$0.9405) per Mcf</u>

PROPOSED

For Entire Service Area
P.S.C. No. 20
Twenty-fourth Revised SHEET No. 5
Cancelling
Twenty-third Revised SHEET No. 5

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Current Gas Cost Adjustments
Case No. 95-010 (Stipulation)

Applicable

For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).

$GCA = (EGC - BCOG) + CF + RF$

Gas Cost Adjustment Components	HLF		
	G - 1	G - 1	G - 2
EGC (Expected Gas Cost Component)	\$2.9673	\$2.2505	\$2.2505 per Mcf
BCOG (Base Cost of Gas)	3.4331	2.6513	2.6513
EGC - BCOG	(0.4658)	(0.4008)	(0.4008)
CF (Correction Factor)	0.0286	0.0286	0.0286
RF (Refund Adjustment):			
Case 92-558H, effective 9/1/94	0.0000	0.0000	0.0000
Case 92-558I, effective 10/1/94	0.0000	0.0000	0.0000
Case 92-558J, effective 11/1/94	(0.0495)	(0.0495)	(0.0153)
Case 92-558K, effective 12/1/94	0.0000	0.0000	0.0000
Case 92-558L, effective 1/1/95	0.0000	0.0000	0.0000
Case 92-558M, effective 2/1/95	(0.0911)	(0.0911)	(0.0363)
Case 92-558N, effective 3/1/95	0.0000	0.0000	0.0000
Case 92-558O, effective 4/1/95	(0.0344)	(0.0344)	(0.0099)
Case 92-558P, effective 5/1/95	0.0000	0.0000	0.0000
Case 92-558Q, effective 6/1/95	0.0000	0.0000	0.0000
Case 92-558R, effective 7/1/95	(0.0555)	(0.0555)	(0.0555)
Case 92-558S, effective 8/1/95	0.0000	0.0000	0.0000
RF Total	(0.2305)	(0.2305)	(0.1170)
GCA (Gas Cost Adjustment)	<u>(\$0.6677)</u>	<u>(\$0.6027)</u>	<u>(\$0.4892) per Mcf</u>

ISSUED: June 23, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-558 S dated)

ISSUED BY: *Lee Allen Ewert* Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Twenty-fourth Revised SHEET No. 6
Canceling
Twenty-third Revised SHEET No. 6

WESTERN KENTUCKY GAS COMPANY

**Current Transportation and Carriage
Case No. 92-558 B**

The General Transportation Tariff Rate T-2 and Carriage Service Rate T-3 for each respective service net monthly rate is as follows:

Transportation Service (T-2)¹

				Simple Margin	Non- Commodity Component	Gross Margin
a) <u>Firm Service</u>						
First	300 ^d Mcf	@		\$0.9419 +	\$0.9834 =	\$1.9253 per Mcf
Next	14,700 ^d Mcf	@		0.7919 +	0.9834 =	1.7753 per Mcf
All over	15,000 Mcf	@		0.6419 +	0.9834 =	1.6253 per Mcf

b) Interruptible Service

First	15,000 ^d Mcf	@		\$0.4775 +	\$0.3801 =	\$0.8576 per Mcf
All over	15,000 Mcf	@		0.3275 +	0.3801 =	0.7076 per Mcf

Carriage Service (T-3)^d

First	15,000 ^d Mcf	@		\$0.4775 +	(\$0.0071) =	\$0.4704 per Mcf
All over	15,000 Mcf	@		0.3275 +	(0.0071) =	0.3204 per Mcf

¹ Includes standby sales service under corresponding sales rates.

^d All gas consumed by the customer (Sales, transportation firm and interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

^e Excludes standby sales service.

ISSUED: June 23, 1996

EFFECTIVE: August 1, 1996

(Issued by Authority of an Order of the Public Service Commission in Case No. 92-558 B dated)

ISSUED BY: *Alan Ernest* Vice President - Rates & Regulatory Affairs

PROPOSED

For Entire Service Area
P.S.C. No. 80
Twenty-fourth Revised SHEET No. 6
Canceling
Twenty-third Revised SHEET No. 6

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

**Current Transportation and Carriage
Case No. 96-010 (Stipulation)**

The General Transportation Tariff Rate T-2 and Carriage Service (Rates T-3 & T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage: 2.1%

				Simple Margin	Non- Commodity Component	Gross Margin
Transportation Service (T-2)¹						
a) <u>Firm Service</u>						
First	300 ^d Mcf	@		\$1.0107 +	\$0.9834 =	\$1.9941 per Mcf
Next	14,700 ^d Mcf	@		0.5585 +	0.9834 =	1.5419 per Mcf
All over	15,000 Mcf	@		0.4085 +	0.9834 =	1.3919 per Mcf
b) <u>High Load Factor Firm Service (HLF)</u>						
Demand		@		\$0.0000 +	\$5.5145 =	\$5.5145 per Mcf of daily contract demand
First	300 ^d Mcf	@		\$1.0107 +	\$0.2666 =	\$1.2773 per Mcf
Next	14,700 ^d Mcf	@		0.5585 +	0.2666 =	0.8251 per Mcf
All over	15,000 Mcf	@		0.4085 +	0.2666 =	0.6751 per Mcf
c) <u>Interruptible Service</u>						
First	15,000 ^d Mcf	@		\$0.4936 +	\$0.3801 =	\$0.8737 per Mcf
All over	15,000 Mcf	@		0.3436 +	0.3801 =	0.7237 per Mcf
<u>Carriage Service^d</u>						
<u>Interruptible Service (T-3)</u>						
First	15,000 ^d Mcf	@		\$0.4936 +	(\$0.0071) =	\$0.4865 per Mcf
All over	15,000 Mcf	@		0.3436 +	(0.0071) =	0.3365 per Mcf

¹ Includes standby sales service under corresponding sales rates.

^d All gas consumed by the customer (Sales and transportation; firm, high load factor, interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

^e Excludes standby sales service.

ISSUED: July 13, 1996

EFFECTIVE: August 1, 1996

(Issued by Authority of an Order of the Public Service Commission in Case No. 96-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 11
Cancelling
P.S.C. No. 19
Second Revised SHEET No. 1

WESTERN KENTUCKY GAS COMPANY

**General Firm Sales Service
Rate G-1**

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company.

3. Net Monthly Rate

a) Base Charge:

\$ 4.35 per meter for residential service
\$11.60 per meter for non-residential service

b) Commodity Charge:

First¹ 300 Mcf @ \$4.3763 per 1,000 cubic feet
Next¹ 14,700 Mcf @ 4.2263 per 1,000 cubic feet
Over 15,000 Mcf @ 4.0763 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider

¹ All gas consumed by the customer (Sales, transportation firm and interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

PROPOSED

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 11
Cancelling
Original SHEET No. 11

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

**General Firm Sales Service
Rate G-1**

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company.

3. Net Monthly Rate

a) Base Charge:

\$ 5.10 per meter for residential service
\$13.60 per meter for non-residential service

b) Commodity Charge:

First¹ 300 Mcf @ \$4.4438 per 1,000 cubic feet
Next¹ 14,700 Mcf @ 3.9916 per 1,000 cubic feet
Over 15,000 Mcf @ 3.8416 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: September 4, 1992

EFFECTIVE: May 29, 1991

(Issued by Authority of an Order of the Public Service Commission in Case No. 90-013 dated May 29, 1991)

ISSUED BY: *Mimi S. Lusk*

Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1996

EFFECTIVE: August 1, 1996

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 12
Cancelling
P.S.C. No. 19
First Revised SHEET No. 2

PROPOSED

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 12
Cancelling
Original SHEET No. 12

WESTERN KENTUCKY GAS COMPANY

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

**General Firm Sales Service
Rate G-1**

**General Firm Sales Service
Rate G-1**

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Commodity Charge, and adjustments under the Gas Cost Adjustment (GCA) rider.

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Commodity Charge, and adjustments under the Gas Cost Adjustment (GCA) rider.

5. Minimum Monthly Bill

- a) The Base Charge.
- b) In addition to the minimum monthly charge, customers assigned seasonal volumes under the Company's Curtailment Plan will be billed a minimum seasonal charge equal to 80% of their Adjusted Seasonal Volumes times the last step in the rate.
- c) The minimum bill requirements will be adjusted to make allowance for any time that gas was not available, and for any causes due to force majeure, which includes acts of God, strikes, lockouts, civil commotion, riots and fires. Voluntary reductions in a customer's base period volumes for a season will be accepted upon application by the customer no later than 30 days prior to the beginning of the season in which the reduction is desired. The reduction will be eliminated for the following season unless a continuance of the reduction is requested by the customer in writing 30 days before the beginning of the next season.

5. Minimum Monthly Bill

- a) The Base Charge plus any High Load Factor (H.L.F.) demand charge.
- b) In addition to the minimum monthly charge, customers assigned seasonal volumes under the Company's Curtailment Plan will be billed a minimum seasonal charge equal to 80% of their Adjusted Seasonal Volumes times the last step in the rate.
- c) The minimum bill requirements will be adjusted to make allowance for any time that gas was not available, and for any causes due to force majeure, which includes acts of God, strikes, lockouts, civil commotion, riots and fires. Voluntary reductions in a customer's base period volumes for a season will be accepted upon application by the customer no later than 30 days prior to the beginning of the season in which the reduction is desired. The reduction will be eliminated for the following season unless a continuance of the reduction is requested by the customer in writing 30 days before the beginning of the next season.

To the extent that a voluntary reduction for a winter season is continued in the following winter season the reduction will be made permanent for winter seasons.

To the extent that a voluntary reduction for a winter season is continued in the following winter season the reduction will be made permanent for winter seasons.

To the extent that a voluntary reduction for a summer season is continued in the following summer season the reduction will be made permanent for summer seasons.

To the extent that a voluntary reduction for a summer season is continued in the following summer season the reduction will be made permanent for summer seasons.

6. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

6. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

ISSUED: September 4, 1982

EFFECTIVE: September 13, 1980

ISSUED: July 13, 1998

EFFECTIVE: August 1, 1998

Issued by Authority of an Order of the Public Service Commission in Case No. 80-013 dated September 13, 1980

Issued by Authority of an Order of the Public Service Commission in Case No. 98-010 dated

PRESENT

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 18
Cancelling
P.S.C. No. 19
First Revised SHEET No. 4

WESTERN KENTUCKY GAS COMPANY

Interruptible Sales Service
Rate G-2

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

- a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier(s).
- b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgment, requires and justifies such combination service.
- c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.

3. Delivery Volumes

- a) The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis and shall be subject to revision in accordance with the Company's approved curtailment plan.

PROPOSED

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 18
Cancelling
Original Revised SHEET No. 18

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Interruptible Sales Service
Rate G-2

1. Applicable

Entire Service Area of the Company.
(See list of towns - Sheet No. 3)

2. Availability of Service

- a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier.
- b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgment, requires and justifies such combination service.
- c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.

3. Delivery Volumes

- a) The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis and shall be subject to revision in accordance with the Company's approved curtailment plan.

ISSUED: September 4, 1992

EFFECTIVE: September 13, 1990

(Issued by Authority of an Order of the Public Service Commission in Case No. 90-013 dated September 13, 1990)

ISSUED BY: *Mimi S. Lamb*

Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1996

EFFECTIVE: August 1, 1996

(Issued by Authority of an Order of the Public Service Commission in Case No. 96-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 16
Cancelling
P.S.C. No. 19
First Revised SHEET No. 6

PROPOSED

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 16
Cancelling
Original SHEET No. 16

WESTERN KENTUCKY GAS COMPANY

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Interruptible Sales Service
Rate G-2

- b) High Priority Service
The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.
- c) Interruptible Service
The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.
- d) Revision of Delivery Volumes
The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

- a) Base Charge: \$100.00 per delivery point per month.
Minimum Charge: The Base Charge.
- b) Commodity Charge:

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

Interruptible Sales Service
Rate G-2

- b) High Priority Service
The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.
- c) Interruptible Service
The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.
- d) Revision of Delivery Volumes
The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

- a) Base Charge: \$150.00 per delivery point per month.
Minimum Charge: The Base Charge plus any Transportation Administration Fee and EIM facilities charge.
- b) Commodity Charge:

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

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ISSUED: September 4, 1992

EFFECTIVE: September 13, 1990

ISSUED: July 19, 1995

EFFECTIVE: August 1, 1995

Issued by Authority of an Order of the Public Service Commission in Case No. 90-013 dated September 13, 1990

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 20
Original SHEET No. 17
Cancelling
P.S.C. No. 19
First Revised SHEET No. 8

WESTERN KENTUCKY GAS COMPANY

**Interruptible Sales Service
Rate G-2**

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First¹ 15,000 Mcf @ \$ 3.6546 per 1,000 cubic feet
Over 15,000 Mcf @ 3.5046 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider

d) Minimum Bill

A minimum seasonal bill shall apply and shall be computed as follows:

- 1) The minimum summer seasonal bill shall apply to the period April 1, through October 31.
- 2) The minimum winter seasonal bill shall apply to the period November 1, through March 31.
- 3) The minimum seasonal bill shall be calculated as the product of 80% of the adjusted seasonal volumes times the rate per Mcf in effect on the last day of the season.
- 4) Any billing for a deficiency under the seasonal minimum bill shall be made within 60 days of the end of the month of the season and shall be due and payable on or before the 20th of the following month.

¹ All gas consumed by the customer (Sales, transportation firm and interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

(T)

PROPOSED

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 17
Cancelling
Original SHEET No. 17

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

**Interruptible Sales Service
Rate G-2**

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First¹ 15,000 Mcf @ \$ 3.1449 per 1,000 cubic feet
Over 15,000 Mcf @ 2.9949 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider

d) Minimum Bill

A minimum seasonal bill shall apply and shall be computed as follows:

- 1) The minimum summer seasonal bill shall apply to the period April 1, through October 31.
- 2) The minimum winter seasonal bill shall apply to the period November 1, through March 31.
- 3) The minimum seasonal bill shall be calculated as the product of 80% of the adjusted seasonal volumes times the rate per Mcf in effect on the last day of the season.
- 4) Any billing for a deficiency under the seasonal minimum bill shall be made within 60 days of the end of the month of the season and shall be due and payable on or before the 20th of the following month.

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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ISSUED: September 4, 1992

EFFECTIVE: September 13, 1990

(Issued by Authority of an Order of the Public Service Commission in Case No. 90-013 dated September 13, 1990)

ISSUED BY: *Alvin S. Lovell*

Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Original SHEET No. 21

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales	
Rates LVS-1 (High Priority), LVS-2 (Low Priority)	
1. Applicable	
Entire Service Area of the Company. (See list of towns - Sheet No. 3)	
2. Availability of Service	
Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.	
3. Net Monthly Rate	
a) <u>Base Charge:</u>	
LVS-1 Service	\$ 11.60 per Meter
LVS-2 Service	100.00 per Meter
Combined Service	100.00 per Meter
b) <u>Simple Margin for LVS-1 Service</u>	
First	300 Mcf @ \$ 0.9419 per Mcf
Next	14,700 Mcf @ 0.7919 per Mcf
Over	15,000 Mcf @ 0.6419 per Mcf
c) <u>Simple Margin for LVS-2 Service</u>	
First ¹	15,000 Mcf @ \$ 0.4775 per Mcf
Over	15,000 Mcf @ 0.3275 per Mcf
¹ All gas consumed by the customer will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.	

PROPOSED

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 21
Cancelling
Original SHEET No. 21
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales	
Rates LVS-1 (High Priority), LVS-2 (Low Priority)	
1. Applicable	
Entire Service Area of the Company. (See list of towns - Sheet No. 3)	
2. Availability of Service	
Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.	
3. Net Monthly Rate	
a) <u>Base Charge:</u>	
LVS-1 Service	\$ 13.60 per Meter
LVS-2 Service	150.00 per Meter
Combined Service	150.00 per Meter
b) <u>Simple Margin for LVS-1 Service</u>	
First ¹	300 Mcf @ \$ 1.0107 per Mcf
Next ¹	14,700 Mcf @ 0.5585 per Mcf
Over	15,000 Mcf @ 0.4085 per Mcf
c) <u>Simple Margin for LVS-2 Service</u>	
First ¹	15,000 Mcf @ \$ 0.4936 per Mcf
Over	15,000 Mcf @ 0.3436 per Mcf
¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.	

ISSUED: March 28, 1988

EFFECTIVE: December 22, 1988

Issued by Authority of an Order of the Public Service Commission in Case No. 82-558 dated December 22, 1988.)

ISSUED BY: *Way S. Lovell* Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Original SHEET No. 22

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales	
Rates LVS-1 (High Priority), LVS-2 (Low Priority)	
d)	The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
e)	The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.
f)	The True-up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.
g)	Notice of the Weighted Average Commodity Gas Cost and True-up Adjustment will be filed with the Commission prior to billing.
4.	<u>Net Monthly Bill</u>
	The Net Monthly Bill shall be equal to the sum of the Base Charge, the Simple Margin, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-up Adjustment.
5.	<u>Minimum Monthly Bill</u>
a)	The Base Charge.
b)	In addition to the Base Charge, customers assigned seasonal volumes under the Company's Curtailment Plan will be billed a minimum seasonal charge equal to 80% of their Adjusted Seasonal Volumes times the following: <ol style="list-style-type: none"> 1) Last step of applicable Simple Margin, 2) Non-Commodity Components and 3) Weighted Average Commodity Gas Cost in effect at the time the minimum bill is assessed.

ISSUED: March 29, 1988

EFFECTIVE: December 22, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 87-168 dated December 22, 1988.)

ISSUED BY: *May S. Lovell* Vice President - Rates & Regulatory Affairs

PROPOSED

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 22
Cancelling
Original SHEET No. 22
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Large Volume Sales	
Rates LVS-1 (High Priority), LVS-2 (Low Priority)	
d)	The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
e)	The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.
f)	The True-up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.
g)	Notice of the Weighted Average Commodity Gas Cost and True-up Adjustment will be filed with the Commission prior to billing.
4.	<u>Net Monthly Bill</u>
	The Net Monthly Bill shall be equal to the sum of the Base Charge, the High Load Factor demand charge, the Simple Margin, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-up Adjustment.
5.	<u>Minimum Monthly Bill</u>
a)	The Base Charge and High Load Factor demand charge.
b)	In addition to the Base Charge, customers assigned seasonal volumes under the Company's Curtailment Plan will be billed a minimum seasonal charge equal to 80% of their Adjusted Seasonal Volumes times the following: <ol style="list-style-type: none"> 1) Last step of applicable Simple Margin, 2) Non-Commodity Components and 3) Weighted Average Commodity Gas Cost in effect at the time the minimum bill is assessed.

ISSUED: July 13, 1988

EFFECTIVE: August 1, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 88-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 28
Cancelling
Original SHEET No. 28

PROPOSED

For Entire Service Area
P.S.C. No. 20
Second Revised SHEET No. 28
Cancelling
First Revised SHEET No. 28
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment
Rider GCA

Gas Cost Adjustment
Rider GCA

EGC is composed of the following:

EGC is composed of the following:

- 1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a commodity basis.
- 2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a non-commodity basis.
- 3) The cost of other gas sources for system supply (no-notice supply, Company storage withdrawals, etc.).

- 1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a commodity basis.
- 2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a non-commodity basis.
- 3) The cost of other gas sources for system supply (no-notice supply, Company storage withdrawals, etc.).

Less

Less

- 4) The cost of gas purchases expected to be injected into underground storage.
- 5) Projected recovery of non-commodity costs from transportation transactions.
- 6) Projected recovery of non-commodity and commodity costs from LVS-1 and LVS-2 transactions.
- 7) The cost of Company-use volumes.

- 4) The cost of gas purchases expected to be injected into underground storage.
- 5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.
- 6) Projected recovery of non-commodity and commodity costs from LVS-1 and LVS-2 transactions.
- 7) The cost of Company-use volumes.
- 8) Projected recovery of non-commodity costs from High Load Factor (HLF) demand charges.

BCOG - is the Base Cost of Gas per 1,000 cubic feet (Mcf):

BCOG - is the Base Cost of Gas per 1,000 cubic feet (Mcf):

- 1) \$ 3.4344 for General Sales Service (G-1)
- 2) \$ 3.1771 for Interruptible Sales Service (G-2)

- 1) \$ 3.4331 for General Sales Service (G-1)
- 2) \$ 2.6513 for Interruptible Sales Service (G-2)

ISSUED: March 29, 1988

EFFECTIVE: December 22, 1988

ISSUED: July 13, 1988

EFFECTIVE: August 1, 1988

Issued by Authority of an Order of the Public Service Commission in Case No. 82-558 dated December 22, 1988.

Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY: *Henry S. Lovell* Vice President - Rates & Regulatory Affairs

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 20
Cancelling
Original SHEET No. 20

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment
Rider GCA

CF- is the Correction Factor per Mcf which compensates for the difference between the expected gas cost and the actual gas cost for prior periods.

The Company shall file an updated Correction Factor (CF) in its March and September monthly GCA filings, to become effective in April and October, respectively. The March filing shall update the CF for the six months ended December period while the September filing shall update the CF for the six months ended June period.

RF- is the sum of any Refund Factors filed in the current and eleven preceding monthly filings. The current Refund Factor reflects refunds received from suppliers during the reporting period. The refund factor will be determined by dividing the refunds received plus estimated interest¹, by the annual sales used in the monthly filing less transported volumes. After a refund factor has remained in effect for twelve months, the difference in the amount received and the amount refunded plus the accrued interest¹ will be rolled into the next refund calculation. The refund account will be operated independently of the CF and only added as a component to the GCA in order to obtain a net GCA. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.

¹ At a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less 1/2 of 1% to cover the costs of refunding as stated in the KPSC Order from Case No. 7157-KK. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

PROPOSED

For Entire Service Area
P.S.C. No. 80
Second Revised SHEET No. 20
Cancelling
First Revised SHEET No. 20
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Gas Cost Adjustment
Rider GCA

CF- is the Correction Factor per Mcf which compensates for the difference between the expected gas cost and the actual gas cost for prior periods.

The Company shall file an updated Correction Factor (CF) in its March and September monthly GCA filings, to become effective in April and October, respectively. The March filing shall update the CF for the six months ended December period while the September filing shall update the CF for the six months ended June period.

RF- is the sum of any Refund Factors filed in the current and eleven preceding monthly filings. The current Refund Factor reflects refunds received from suppliers during the reporting period. The refund factor will be determined by dividing the refunds received plus estimated interest¹, by the annual sales used in the monthly filing less transported volumes. After a refund factor has remained in effect for twelve months, the difference in the amount received and the amount refunded plus the accrued interest¹ will be rolled into the next refund calculation. The refund account will be operated independently of the CF and only added as a component to the GCA in order to obtain a net GCA. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.

¹ At a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less 1/2 of 1% to cover the costs of refunding as stated in the KPSC Order from Case No. 7157-KK. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

4. High Load Factor (HLF) Option

Customers with daily contract demands for firm service of 240 Mcf or greater may elect to contract for High Load Factor (HLF) service and will be applicable to G-1, LVS-1, and T-2G-1 services.

The HLF option provides for billing of the non-commodity costs in the EGC applicable only to firm service on the basis of daily contract demand rather than on a commodity basis.

ISSUED: March 28, 1988

EFFECTIVE: December 22, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 82-368 dated December 22, 1988.)

ISSUED BY: *Max S. Lovell* Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1988

EFFECTIVE: August 1, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 88-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 34
Cancelling
Original SHEET No. 34

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

1. Applicable

Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).

2. Availability of Service

Available to any customer with an expected demand of at least 36,500 Mcf per year, on an individual service at the same premise, who has purchased their own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied a Gross Margin Transportation Rate which shall be:

a) Simple Margin for High Priority Service

First ¹	300 Mcf @	\$ 0.9419 per Mcf
Next ¹	14,700 Mcf @	0.7919 per Mcf
Over	15,000 Mcf @	0.6419 per Mcf

b) Simple Margin for Low Priority Service

First ¹	15,000 Mcf @	\$ 0.4775 per Mcf
Over	15,000 Mcf @	0.3275 per Mcf

c) (a) or (b) above, plus the Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

¹ All gas consumed by the customer (Sales, transportation and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

PROPOSED

For Entire Service Area
P.S.C. No. 80
Second Revised SHEET No. 34
Cancelling
First Revised SHEET No. 34
(ATTACHEMENT A)

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

1. Applicable

Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).

2. Availability of Service

Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) Transportation Administration Fee - \$45.00 per customer per month

b) Simple Margin for High Priority Service

First ¹	300 Mcf	(@	\$1.0107 per Mcf
Next ¹	14,700 Mcf	(@	0.5585 per Mcf
Over	15,000 Mcf	(@	0.4085 per Mcf

c) Simple Margin for Low Priority Service

First ¹	15,000 Mcf	(@	\$0.4936 per Mcf
Over	15,000 Mcf	(@	0.3436 per Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: March 29, 1989

EFFECTIVE: December 22, 1989

(Issued by Authority of an Order of the Public Service Commission in Case No. 82-344 dated December 22, 1989)

ISSUED BY: *M. S. Lovell*

Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 85-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 88
Cancelling
Original SHEET No. 88

PROPOSED

For Entire Service Area
P.S.C. No. 80
Second Revised SHEET No. 88
Cancelling
First Revised SHEET No. 88
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

General Transportation Service
Rate T-2

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Simple Margins and the Non-Commodity Component.

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

4. Net Monthly Bill

The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Gross Margin (Simple margin plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge under Rates G-1 and G-2.

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED: March 29, 1988

EFFECTIVE: December 22, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 88-548 dated December 22, 1988)

ISSUED BY: *Neal S. Lovell*

Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1988

EFFECTIVE: August 1, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 88-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Original SHEET No. 38A

PROPOSED

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 38A
Cancelling
Original SHEET No. 38A
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

General Transportation Service
Rate T-2

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities.

$$\text{Imbalance} = \text{Mcf}_{\text{Customer}} - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.

The Imbalance will be resolved by use of the following procedure:

- a) If the Imbalance is negative, then the customer will be billed for the Imbalance volumes at the Company's applicable sales rate.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes from the customer at the prices described in the following "Cash out" method stated in item (b).

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance will be resolved by use of the following procedure:

- a) If the Imbalance is negative, then the customer will be billed for the Imbalance volumes at the Company's applicable sales rate.

If the Imbalance is positive, then the Company will "bank", for one billing period, volumes up to 10% of the customer's "MCF_{Company}". The Company will purchase the Imbalance volumes, if any, in excess of the banked volumes from the customer at the prices described in the following "Cash out" method stated in item (b).

ISSUED: March 29, 1988

EFFECTIVE: December 22, 1988

ISSUED: July 13, 1988

EFFECTIVE: August 1, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 82-368 dated December 22, 1988)

(Issued by Authority of an Order of the Public Service Commission in Case No. 86-010 dated)

ISSUED BY: *My S. Lovell*

Vice President - Rates & Regulatory Affairs

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Original SHEET No. 358

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

b) "Cash out" Method

Imbalance volumes	Cash-out Price
First ¹ 5% of Mcf _{Customer}	@ 100% of Index Price ²
Next ¹ 5% of Mcf _{Customer}	@ 90% of Index Price ²
Over ¹ 10% of Mcf _{Customer}	@ 80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered into the Company's facilities with volumes the Company delivered into customer's facilities.

7. Special Provisions

a) Service under this Rate Schedule entitles the customer to purchase sales gas from the Company at the applicable tariff rates when its supply requirements exceed the nominated volume. The customer is entitled to purchase natural gas from the Company consistent with the applicable Sales Rate Schedule.

b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which may be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to a daily meter record for the billing period).

ISSUED: March 28, 1988

EFFECTIVE: December 22, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 82-658 dated December 22, 1988)

ISSUED BY: Neil S. Lovell Vice President - Rates & Regulatory Affairs

PROPOSED

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 358
Canceling
Original SHEET No. 358
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

b) "Cash out" Method

Imbalance volumes	Cash-out Price
First ¹ 5% of Mcf _{Customer}	(i) 100% of Index Price ²
Next ¹ 5% of Mcf _{Customer}	(ii) 90% of Index Price ²
Over ¹ 10% of Mcf _{Customer}	(iii) 80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered into the Company's facilities with volumes the Company delivered into customer's facilities.

e) Banked positive imbalance volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account. Banked volumes may be used by the Company for system supply or stored during the interim period.

7. Special Provisions

a) Service under this Rate Schedule entitles the customer to purchase sales gas from the Company at the applicable tariff rates when its supply requirements exceed the nominated volume. The customer is entitled to purchase natural gas from the Company consistent with the applicable Sales Rate Schedule.

ISSUED: July 12, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 86-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 38
Cancelling
Original SHEET No. 38

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

8. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.
- c) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum contracted volumes.
- d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.
- e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

PROPOSED

For Entire Service Area
P.S.C. No. 80
Second Revised SHEET No. 38
Cancelling
First Revised SHEET No. 38
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

- b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to a daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communication support services related to the EFM equipment. Provided, however, EFM equipment is not required for customers whose contractual requirements with the Company are less than 300 MCF/Day. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No.51).

8. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.
- c) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum contracted volumes.
- d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.
- e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

ISSUED: March 28, 1999

EFFECTIVE: December 22, 1998

(Issued by Authority of an Order of the Public Service Commission in Case No. 89-048 dated December 22, 1998)

ISSUED BY: *Neil S. Lovell*

Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1999

EFFECTIVE: August 1, 1998

(Issued by Authority of an Order of the Public Service Commission in Case No. 88-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Second Revised SHEET No. 38
Cancelling
First Revised SHEET No. 38

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

(A Banking provision is no longer applicable since the Company has incorporated a "Cash out" Method as stated in Section 6 of this tariff.)

10. Miscellaneous - GF Provision

The volumetric criteria in Section 2, "Availability of Service", above, is waived for customers who were subscribed to T-2 service on December 22, 1993. As to each such customer, this waiver provision will expire upon the effective date of any new, Commission approved gas transportation service for which that customer qualifies.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 18 1994

PURSUANT TO 807 KAR 6011,
SECTION 9(1)

BY: Jordan C. Hall
FOR THE PUBLIC SERVICE COMMISSION

PROPOSED

For Entire Service Area
P.S.C. No. 80
Third Revised SHEET No. 38
Cancelling
Second Revised SHEET No. 38
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

General Transportation Service
Rate T-2

10. Miscellaneous - GF Provision

The Volumetric criteria in Section 2, "Availability of Service", above is waived for customers who were subscribed to T-2 service on December 22, 1993. As to each such customer, this waiver provision will expire upon the effective date of any new, Commission approved gas transportation service for which that customer qualifies.

(7)

(7)

ISSUED: October 26, 1994

EFFECTIVE: October 18, 1994

(Issued by Authority of an Order of the Public Service Commission in Case No. 84-078 dated October 18, 1994)

ISSUED BY: Allen S. Hall Vice President - Rates & Regulatory Affairs

ISSUED: July 19, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 86-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 40
Cancelling
Original SHEET No. 40

WESTERN KENTUCKY GAS COMPANY

Carriage Service
Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- a) Available to any customer with an expected demand of at least 36,500 Mcf per year, on an individual service at the same premise, who has purchased their own supply of natural gas and require carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

- a) Base Charge: \$100.00 per delivery point, plus
- b) Simple Margin for Interruptible Service
 First¹ 15,000 Mcf @ \$ 0.4775 per Mcf
 Over 15,000 Mcf @ 0.3275 per Mcf
- c) plus, the Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

¹ All gas consumed by the customer (Sales, transportation, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

PROPOSED

For Entire Service Area
P.S.C. No. 20
Second Revised SHEET No. 40
Cancelling
First Revised SHEET No. 40
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- a) Base Charge -- \$150.00 per delivery point (1)
- b) Transportation Administration Fee -- 45.00 per customer per month (1)
- c) Simple Margin for Interruptible Service
 First¹ 15,000 Mcf @ \$0.4936 per Mcf (1)
 Over 15,000 Mcf @ 0.3436 per Mcf (1)
- d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing. (1)
- e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51). (1)

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved. (1)

ISSUED: March 28, 1988

EFFECTIVE: December 22, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 87-568 dated December 22, 1988)

ISSUED BY: *Ally S. Lovell* Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1988

EFFECTIVE: August 1, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 88-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 41
Cancelling
Original SHEET No. 41

WESTERN KENTUCKY GAS COMPANY

Carriage Service
Rate T-3

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Simple Margin and the Non-Commodity Component.

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

PROPOSED

For Entire Service Area
P.S.C. No. 20
Second Revised SHEET No. 41
Cancelling
First Revised SHEET No. 41
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Simple Margin and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

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ISSUED: March 29, 1983

EFFECTIVE: December 22, 1983

(Issued by Authority of an Order of the Public Service Commission in Case No. 62-586 dated December 22, 1983)

ISSUED BY: *MW S Lantz*

Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1985

EFFECTIVE: August 1, 1985

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Original SHEET No. 41A

WESTERN KENTUCKY GAS COMPANY

Carriage Service
Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities.

$$\text{Imbalance} = \text{Mcf}_{\text{Customer}} - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes from the customer at the rates described in the following "Cash out" method in Item (b).

(1)

PROPOSED

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 41A
Cancelling
Original SHEET No. 41A
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in Item (b).

(7)

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ISSUED: March 29, 1988

EFFECTIVE: December 22, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 82-858 dated December 22, 1988)

ISSUED BY: *Mary S. Lovell* Vice President - Rates & Regulatory Affairs

ISSUED: July 13, 1988

EFFECTIVE: August 1, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 86-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Original SHEET No. 41B

WESTERN KENTUCKY GAS COMPANY

Carriage Service
Rate T-3

b) "Cash out" Method

<u>Imbalance volumes</u>	<u>Cash-out Price</u>
First' 5% of Mcf _{Customer}	ⓐ 100% of Index Price ¹
Next' 5% of Mcf _{Customer}	ⓑ 90% of Index Price ²
Over' 10% of Mcf _{Customer}	ⓒ 80% of Index Price ²

¹ Not to exceed the imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

ISSUED: March 29, 1988

EFFECTIVE: December 22, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 88-188 dated December 22, 1988)

ISSUED BY: Neil S. Lovell Vice President - Rates & Regulatory Affairs

PROPOSED

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 41B
Cancelling
Original SHEET No. 41B
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

b) "Cash out" Method

<u>Imbalance volumes</u>	<u>Cash-out Price</u>
First' 5% of Mcf _{Customer}	ⓐ 100% of Index Price ¹
Next' 5% of Mcf _{Customer}	ⓑ 90% of Index Price ²
Over' 10% of Mcf _{Customer}	ⓒ 80% of Index Price ²

¹ Not to exceed the imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF _{Company}", on a monthly basis at 10¢/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

ISSUED: July 12, 1988

EFFECTIVE: August 1, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 88-010 dated)

ISSUED BY: Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Third Revised SHEET No. 42
Canceling
First Revised SHEET No. 42

WESTERN KENTUCKY GAS COMPANY

Carriage Service
Rate T-3

7. Curtailment

- a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.
- b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which may be required as a result of receiving service under this Carriage Service Rate T-3.

A written contract with maximum daily and monthly carriage volumes and with a minimum term of one year shall be required.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 23 1985

PURSUANT TO 807 KAR 60.1,
SECTION 2(1)

BY [Signature]
EFFECTIVE: March 23, 1985

ISSUED: March 22, 1985

(Issued by Authority of an Acceptance Letter of the Public Service Commission dated March 14, 1985 approving a special contract for transportation for resale of gas for motor vehicle fuel)

ISSUED BY: Mary S. Luvell Vice President - Rates & Regulatory Affairs

PROPOSED

For Entire Service Area
P.S.C. No. 80
Fourth Revised SHEET No. 42
Canceling
Third Revised SHEET No. 42
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

7. Curtailment

- a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.
- b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communication support services related to the EFM equipment. Provided, however, EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 MCF/day. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 51).

A written contract with maximum daily and monthly carriage volumes and with a minimum term of one year shall be required.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ISSUED: July 19, 1985

EFFECTIVE: August 1, 1985

(Issued by Authority of an Order of the Public Service Commission in Case No. 85-010 dated

ISSUED BY:

PRESENT

For Entire Service Area
P.S.C. No. 20
First Revised SHEET No. 48
Cancelling
Original SHEET No. 43

WESTERN KENTUCKY GAS COMPANY

Carriage Service
Rate T-3

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Carriage Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

ISSUED: March 29, 1988

EFFECTIVE: December 22, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 82-568 dated December 22, 1988)

ISSUED BY:  Vice President - Rates & Regulatory Affairs

PROPOSED

For Entire Service Area
P.S.C. No. 20
Second Revised SHEET No. 43
Cancelling
First Revised SHEET No. 43
(ATTACHMENT A)

WESTERN KENTUCKY GAS COMPANY

Interruptible Carriage Service
Rate T-3

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

ISSUED: July 13, 1988

EFFECTIVE: August 1, 1988

(Issued by Authority of an Order of the Public Service Commission in Case No. 85-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

PRESENT

For Entire Service Area
P.S.C. No. 80
Original SHEET No. 81
(First Substitute)

WESTERN KENTUCKY GAS COMPANY

Special Charges	
Turn-on charge	\$ 7.50
Reconnect charge	0.00
Termination or field collection charge	5.00
Special meter reading charge	no charge
Meter resetting charge ¹	no charge
Meter test charge	20.00
Returned check charge	10.00
Customers are subject to curtailment as described in Section 33 of the Company's Standard Rules and Regulations. Industrial and commercial customers that fail to comply with a Company order for daily curtailment will be subject to a penalty charge. Industrial customers assigned seasonal volumes will be subject to penalty as described in Section 33.	15.00 per Mcf
¹ Any modifications to the yard line will be at the customer's expense and shall be inspected by the Company	

ISSUED: September 4, 1992

EFFECTIVE: March 4, 1993

(Issued by Authority of an Order of the Public Service Commission in Case No. 80-013 dated September 13, 1990)

ISSUED BY: *Mary S. Lovell*

Vice President - Rates & Regulatory Affairs

PROPOSED

For Entire Service Area
P.S.C. No. 80
First Revised SHEET No. 81
Canceling
(First Substitute) Original SHEET No. 81

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT A)

Special Charges		
Turn on new service with meter set *	\$28.00	(1)
Turn on service (shut-in test required) *	18.00	(1)
Turn on service (meter read only required) *	10.00	(1)
Reconnect delinquent service	no charge	
Reconnect service temporarily off at customers request	25.00	(1)
Termination or field collection charge	5.00	(1)
Special meter reading charge	no charge	
Meter test charge	20.00	
Returned check charge	15.00	(1)
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment -		
- Class 1 EFM equipment (less than \$7,500, including installation cost)	105.00 per mo.	(2)
- Class 2 EFM equipment (more than \$7,500, including installation cost)	210.00 per mo.	(2)
* Waived for qualified low income applicants ("LIHEAP participants")		

ISSUED: July 15, 1995

EFFECTIVE: August 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated .)

ISSUED:



WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT D)

Firm Carriage Service
Rate T-4

(2)

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- a) Base Charge - \$150.00 per delivery point
- b) Transportation Administration Fee - 45.00 per customer per month

c) Simple Margin for Firm Service

First ¹	300 Mcf	@	\$1.0107	per Mcf
Next ¹	14,700 Mcf	@	0.5585	per Mcf
Over	15,000 Mcf	@	0.4085	per Mcf

- d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 51).

¹ All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: July 13, 1995

EFFECTIVE: September 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT D)

Firm Carriage Service

Rate T-4

(2)

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Simple Margin and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ISSUED: July 13, 1995

EFFECTIVE: September 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT D)

Firm Carriage Service
Rate T-4

(2)

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U}\%)] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
2. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" Is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-1). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed at \$15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

ISSUED: July 13, 1995

EFFECTIVE: September 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT D)

Firm Carriage Service
Rate T-4

b) "Cash out" Method

<u>Imbalance volumes</u>		<u>Cash-out Price</u>
First ¹ 5% of Mcf _{Customer}	@	100% of Index Price ²
Next ¹ 5% of Mcf _{Customer}	@	90% of Index Price ²
Over ¹ 10% of Mcf _{Customer}	@	80% of Index Price ²

¹ Not to exceed the Imbalance volumes

² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

- c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.
- d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.
- e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF_{Company}", on a monthly basis at 10¢/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

ISSUED: July 13, 1995

EFFECTIVE: September 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT D)

Firm Carriage Service

Rate T-4

(2)

7. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Carriage Service Rate T-4. Electronic flow measurement ("EFM") equipment, acceptable to the Company, is required to be installed, maintained, and operated to obtain transportation service. The customer is responsible for providing the electric and communication support services related to the EFM equipment. Provided, however, EFM equipment is not required for customers whose requirements are less than 100 MCF/day. Customers required to install EFM may elect the optional monthly EFM facilities charge (First Revised Sheet No. 51).

A written contract with maximum daily and monthly carriage volumes and with a minimum term of one year shall be required.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ISSUED: July 13, 1995

EFFECTIVE: September 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT D)

Firm Carriage Service

Rate T-4

(N)

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Carriage Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.
- g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

ISSUED: July 13, 1995

EFFECTIVE: September 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

WESTERN KENTUCKY GAS COMPANY

(ATTACHMENT D)

Firm Carriage Service

Rate T-4

(2)

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

11. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: July 13, 1995

EFFECTIVE: September 1, 1995

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated)

ISSUED BY:

Vice President - Rates & Regulatory Affairs

Western Kentucky Gas Company
Summary of Revenue at Settled Rates (1)
Test Year Ended 9/30/94
With 1993 Increase

Schedule 2
Page 1 of 2

Line No.	Description (a)	Block (b)	Number of Bills (c)	Volumes as Metered (d)	Weather Adj. Volumes (e)	Contract Adj. Bulk and Volumes (f)	Adjustments for HLP (g)	Total Volumes (h)	Settled Rates 12/1/94 (i)	Present Revenue (j)
1	Sales									
2										
3	Firm Sales (G-1)	Customer Chrg	1,733,043						93.10	\$8,838,519
4		Customer Chrg	213,985			(145)			13.60	2,908,224
5		0 - 300		20,089,545	(539,074)	(55,046)	(24,948)	19,470,477	4.3729	85,142,448
6		301 - 15,000		3,743,561		(705,805)	(505,420)	2,532,336	3.9207	9,928,530
7		Over 15,000		151,863		(103,563)	(48,200)	0	3.7707	0
8										
9	HLP Firm Sales (G-1)									
10		Demand Charge							5.3371	815,615
11		0 - 300					24,948	24,948	3.5911	89,591
12		301 - 15,000					505,420	505,420	3.1369	1,586,463
13		Over 15,000					48,200	48,200	2.9889	144,065
14										
15	Interruptible Sales (G-2)	Customer Chrg	957			(154)			150.00	120,450
16		0 - 15,000		2,818,200		(764,358)		2,053,842	3.1142	6,396,075
17		Over 15,000		1,351,405		(494,368)		858,037	2.9642	2,539,536
18										
19	Override	0 - 15,000		7,506		(7,506)		0	3.4216	0
20		Over 15,000		71,452		(71,452)		0	3.2606	0
21										
22	Large Volume Sales									
23										
24	Firm (LVS-1)	Customer Chrg	67			74			13.60	1,918
25		0 - 300		28,805		120,233	(34,200)	114,838	3.8298	439,807
26		301 - 15,000		593,705		1,005,344	(1,103,244)	496,005	3.3776	1,675,306
27		Over 15,000		182,073		175,380	(357,453)	0	3.2276	0
28										
29	Interruptible (LVS-3)	Customer Chrg	75			227			150.00	45,300
30		0 - 15,000		605,566		1,265,411		1,870,977	2.5711	4,810,469
31		Over 15,000		223,165		1,640,471		1,863,636	2.4211	4,512,049
32										
33	HLP Firm (LVS-1)									
34		0 - 300					34,200	34,200	3.0480	104,242
35		301 - 15,000					1,103,244	1,103,244	2.5938	2,863,801
36		Over 15,000					357,453	357,453	2.4458	874,259
37										
38	Transportation									
39										
40	Firm Transport (G-1)	Customer Chrg	245			(33)			13.60	2,883
41		Transport Bill Surcharge							45.00	11,025
42		0 - 300		63,501		(21,919)	(19,777)	21,805	2.0160	43,959
43		301 - 15,000		1,702,297		(745,297)	(798,943)	158,057	1.5638	247,170
44		Over 15,000		250,871		(83,075)	(161,576)	6,220	1.4138	8,794
45										
46	HLP Firm Transport (G-1)									
47		0 - 300					19,777	19,777	1.2342	24,409
48		301 - 15,000					798,943	798,943	0.7820	624,773
49		Over 15,000					161,576	161,576	0.6320	102,116
50										
51										
52										
53	Interr. Transport (G-3)	Customer Chrg	282			(40)			150.00	36,300
54		Transport Bill Surcharge							45.00	12,690
55		0 - 15,000		3,033,777		(1,373,684)		1,660,093	0.7573	1,257,188
56		Over 15,000		4,009,703		(2,289,049)		1,720,654	0.6073	1,044,953
57										
58										
59	Carriage Service (T-3)(2)	0 - 15,000		307,651		685,647		993,298	0.4783	475,094
60		Over 15,000		998,822		(137,879)		860,943	0.3283	282,648
61										
62										
63	Total Special Contracts (See page 2)		48	7,327,388	0	1,393,965		8,721,353		2,184,457
64										
65	Total Tariff			1,948,702	47,460,856	(539,074)	(568,650)	0	46,455,096	140,175,427
66										
67	Other Revenue									733,445
68										
69	Total Revenue									\$140,908,872

(1) December 1994 gas cost.

(2) Number of Bills included in G-2 Transportation.

Western Kentucky Gas Company
 Summary of Revenue at Settled Rates (1)
 Test Year Ended 9/30/94
 With 1995 Increase

Schedule 2
 Page 2 of 2

Line No.	Description	Block	Number of Bills	Volumes as Metered	Weather Adj. Volumes	Contract Adj. Bills and Volumes		Total Volumes	Settled Rates 12/1/94	Present Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Special Contracts									
2										
3		Customer Charge	48			36			3130.00	312.600
4		Transport Bill Surcharge							45.00	3.780
5		Reservation Fee								13.978
6		Capacity Release Fee								3.201
7	Sales									
8										
9	Interruptible	0 - 15,000		6,507		(6,507)		0	3.1142	0
10		Over 15,000		0				0	2.9642	0
11										
12		0 - 15,000		34,272				34,272	2.8099	96.301
13		Over 15,000		0				0	2.8099	0
14										
15		0 - 15,000				324		324	2.7899	897
16		Over 15,000								
17										
18	Overrun									
19		0 - 15,000		0				0	3.4256	0
20		Over 15,000		13,995		(13,995)		0	3.2606	0
21										
22		0 - 15,000		0				0	3.4256	0
23		Over 15,000		108,629		(108,629)		0	3.2606	0
24										
25		0 - 15,000		0				0	3.4256	0
26		Over 15,000		45,291		(45,291)		0	3.2606	0
27										
28	LVS									
29		0 - 15,000				157,229		157,229	2.3975	374.957
30		Over 15,000				52		52	2.3975	125
31										
32		0 - 15,000				170,030		170,030	2.3975	407,647
33		Over 15,000				29,360		29,360	2.3975	70,391
34	Transportation									
35										
36	Firm	0 - 300		300		(300)		0	2.0160	0
37		301 - 15,000		14,700		(14,700)		0	1.5638	0
38		Over 15,000		22,200		(22,200)		0	1.4138	0
39										
40		0 - 300		900		(900)		0	2.0160	0
41		301 - 15,000		44,100		(44,100)		0	1.5638	0
42		Over 15,000		195,000		(195,000)		0	1.4138	0
43										
44	Interruptible									
45		All Mcf - G-2		700,361		(700,361)			N/A	0
46										
47		0 - 15,000		67,949				67,949	0.4837	32,867
48		Over 15,000		0				0	0.4837	0
49										
50	Carriage	All Mcf - T-3						706,868	0.1247	88,146
51										
52		0 - 15,000		87,211				87,211	0.2047	17,852
53		Over 15,000		847,632		13,995		861,627	0.2047	176,375
54										
55		All Mcf - T-3						1,036,934	0.1647	170,783
56										
57										
58		All Mcf		2,177,952		143,829		2,321,781	0.0947	219,873
59										
60		Firm		1,095,000				1,095,000	0.1847	302,247
61		Interruptible		1,867,389		285,291		2,152,680	0.1247	268,439
62										
63										
64	Total Tariff		48	7,327,368	0	1,392,965	0	8,721,317		82,164,457

Western Kentucky Gas Company
Summary of Revenue at Settled Rates (1)
Test Year Ended 9/30/94
With 1996 Increase

Attachment B

Schedule J
Page 1 of 2

Line No.	Description	Block	Number of Bills	Volume as Metered	Weather Adj. Volume	Contract Adj. Bills and Volume	Adjustments for HLF	Total Volume	Settled Rates 12/1/94	Present Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Sales									
2										
3	Firm Sales (G-1)	Customer Chrg	1,733,043						55.10	28,878,519
4		Customer Chrg	213,985			(145)			13.60	2,908,224
5		0 - 300		20,089,545	(539,074)	(55,046)	(24,948)	19,470,477	4.4237	86,131,549
6		301 - 15,000		3,743,561		(705,805)	(505,420)	2,532,336	3.9207	9,929,530
7		Over 15,000		151,863		(103,663)	(48,200)	0	3.7707	0
8										
9	HLF Firm Sales (G-1)									
10		Demand Charge							5.5771	815,615
11		0 - 300					24,948	24,948	3.6419	90,858
12		301 - 15,000					505,420	505,420	3.1389	1,586,463
13		Over 15,000					48,200	48,200	2.9889	144,065
14										
15	Interruptible Sales (G-2)	Customer Chrg	957			(154)			150.00	120,450
16		0 - 15,000		2,818,200		(764,358)		2,053,842	3.1142	6,396,075
17		Over 15,000		1,351,405		(494,568)		856,837	2.9642	2,539,836
18										
19	Overrun	0 - 15,000		7,506		(7,506)		0	3.4256	0
20		Over 15,000		71,452		(71,452)		0	3.2606	0
21										
22	Large Volume Sales									
23										
24	Firm (LVS-1)	Customer Chrg	67			74			13.60	1,918
25		0 - 300		28,805		120,233	(34,200)	114,838	3.8806	445,640
26		301 - 15,000		593,705		1,005,544	(1,103,244)	496,005	3.3776	1,675,306
27		Over 15,000		182,073		175,380	(357,453)	0	3.2276	0
28										
29	Interruptible (LVS-2)	Customer Chrg	75			227			150.00	45,300
30		0 - 15,000		605,566		1,265,411		1,870,977	2.5711	4,810,469
31		Over 15,000		223,165		1,640,471		1,863,636	2.4211	4,512,049
32										
33	HLF Firm (LVS-1)									
34		0 - 300					34,200	34,200	3.0988	105,979
35		301 - 15,000					1,103,244	1,103,244	2.5958	2,863,801
36		Over 15,000					357,453	357,453	2.4458	874,259
37										
38	Transportation									
39										
40	Firm Transport (G-1)	Customer Chrg	245			(33)			13.60	2,883
41		Transport Bill Surcharge							45.00	11,025
42		0 - 300		63,501		(21,919)	(19,777)	21,805	2,0668	45,057
43		301 - 15,000		1,702,297		(745,297)	(798,943)	158,057	1,5638	247,170
44		Over 15,000		250,871		(83,075)	(161,576)	6,220	1,4138	8,794
45										
46	HLF Firm Transport (G-1)									
47		0 - 300					19,777	19,777	1.2850	25,413
48		301 - 15,000					798,943	798,943	0.7820	624,773
49		Over 15,000					161,576	161,576	0.6320	102,116
50										
51										
52										
53	Interr. Transport (G-2)	Customer Chrg	282			(40)			150.00	36,300
54		Transport Bill Surcharge							45.00	12,690
55		0 - 15,000		3,033,777		(1,373,684)		1,660,093	0.7573	1,257,188
56		Over 15,000		4,009,703		(2,289,049)		1,720,654	0.6073	1,044,953
57										
58										
59	Carriage Service (T-3)(2)	0 - 15,000		307,651		685,647		993,298	0.4783	475,094
60		Over 15,000		998,822		(137,879)		860,943	0.3283	282,648
61										
62										
63	Total Special Contracts (See page 2)		48	7,327,388	0	1,393,965		8,721,317		2,165,519
64										
65	Total Tariff			1,948,702	47,560,856	(539,074)	(566,650)	0	46,455,096	141,176,538
66										
67	Other Revenue									733,445
68										
69	Total Revenue									<u>\$141,909,983</u>

(1) December 1994 gas cost.

(2) Number of Bills included in G-2 Transportation.

Western Kentucky Gas Company
Summary of Revenue at Settled Rates (1)
Test Year Ended 9/30/94
With 1994 Increase

Attachment #

Schedule 2
Page 2 of 2

Line No.	Description	Block	Number of Bills	Volumes as Metered	Weather Adj. Volumes	Contract Adj. Bills and Volumes	Total Volumes	Settled Rates 12/1/94	Present Revenue	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Special Contracts									
2										
3	Customer Charge		48			36		\$150.00	\$12,600	
4	Transport Bill Surcharge							45.00	3,780	
5	Reservation Fee								15,976	
6	Capacity Release Fee								3,201	
7	Sales									
8										
9	Interruptible	0 - 15,000		6,507		(6,507)	0	3.1142	0	
10		Over 15,000		0			0	2.9642	0	
11										
12		0 - 15,000		34,272			34,272	2.8406	97,353	
13		Over 15,000		0			0	2.8406	0	
14										
15		0 - 15,000				324	324	2.8006	907	
16		Over 15,000								
17										
18	Overrun									
19		0 - 15,000		0			0	3.4256	0	
20		Over 15,000		13,995		(13,995)	0	3.2606	0	
21										
22		0 - 15,000		0			0	3.4256	0	
23		Over 15,000		106,629		(106,629)	0	3.2606	0	
24										
25		0 - 15,000		0			0	3.4256	0	
26		Over 15,000		45,291		(45,291)	0	3.2606	0	
27										
28	LVS									
29		0 - 15,000				157,229	157,229	2.3975	376,957	
30		Over 15,000				52	52	2.3975	125	
31										
32		0 - 15,000				170,030	170,030	2.3975	407,647	
33		Over 15,000				29,360	29,360	2.3975	70,391	
34	Transportation									
35										
36	Firm	0 - 300		300		(300)	0	2.0668	0	
37		301 - 15,000		14,700		(14,700)	0	1.5638	0	
38		Over 15,000		22,200		(22,200)	0	1.4138	0	
39										
40		0 - 300		900		(900)	0	2.0668	0	
41		301 - 15,000		44,100		(44,100)	0	1.5638	0	
42		Over 15,000		195,000		(195,000)	0	1.4138	0	
43										
44	Interruptible									
45		All Mcf - G-2		700,361		(700,361)		N/A	0	
46										
47		0 - 15,000		67,949			67,949	0.4837	32,867	
48		Over 15,000		0			0	0.4837	0	
49										
50	Carriage									
51		All Mcf - T-3				706,868	706,868	0.1247	88,146	
52										
53		0 - 15,000		87,211			87,211	0.2047	17,852	
54		Over 15,000		847,632		13,995	861,627	0.2047	176,375	
55										
56		All Mcf - T-3				1,036,934	1,036,934	0.1647	170,783	
57										
58		All Mcf		2,177,942		143,829	2,321,781	0.0947	219,873	
59										
60		Firm		1,095,000			1,095,000	0.1847	202,247	
61		Interruptible		1,867,389		285,291	2,152,680	0.1247	268,439	
62										
63										
64	Total Tariff		48	7,327,388	0	1,393,964	0	8,721,317	\$2,165,519	

Western Kentucky Gas
 Service Charge Cost Analysis
 Revised Per Settlement

Exhibit THP-2
 Page 1 of 6
 Revised

Line No.	Description	Chargeable Orders	Proforma Charges	Proforma Revenue
	(a)	(b)	(c)	(d)
1	METER SET [1]	2,637	\$28.00	\$73,836
2	NEW SET, TRSF [1]	333	\$28.00	\$9,324
3				
4	TURN ON, NEW CUS [1]	13,214	\$18.00	\$237,852
5	TURN ON, TRSF [1]	1,771	\$18.00	\$31,878
6				
7	TURN ON, RD ONLY [1]	14,942	\$10.00	\$149,420
8	TRNSF, READ ONLY [1]	2,874	\$10.00	\$28,740
9				
10	TURN ON FROM OT	567	\$25.00	\$14,175
11	OT CUST REQUEST	0	\$0.00	\$0
12				
13	TURN ON FROM NP	1,258	\$0.00	\$0
14	OT DEL BILL	0	\$0.00	\$0
15				
16	FIELD COLLECTION	27,729	\$5.00	\$138,645
17				
18	RETURNED CHECK	3,305	\$15.00	\$49,575
19				
20	TOTAL			<u>\$733,445</u>

[1] 95% of test year chargeable orders, assumes that 5% of orders will relate to LIHEAP customers, who will be exempt from these charges.

**Western Kentucky Gas Company
Case No. 95-010
Computation of Target Revenues**

	<u>Revenues</u>
Pro-forma Revenue at Present Rates	\$138,910,052
Add Interim Increase	<u>2,000,000</u>
Target Revenue at Interim Rates	140,910,052
Add Final Increase	<u>1,000,000</u>
Target Revenue at Final Rates	<u><u>\$141,910,052</u></u>

Western Kentucky Gas Company
Summary of Revenue at Present Rates - Revised
Test Year Ended 9/30/94

Schedule J
Page 1 of 2

Line No.	Description (a)	Block (b)	Number of Bills (c)	Volumes as Metered (d)	Weather Adj. Volumes (e)	Contract Adj. Bills and Volumes (f)	Total Volumes (g)	Present Rates 12/1/94 (h)	Present Revenue (i)
1	Sales								
2									
3	Firm Sales (G-1)	Customer Chrg	1,733,043					\$4.35	\$7,338,737
4		Customer Chrg	213,985			(145)		11.60	2,480,544
5		0 - 300		20,089,545	(539,074)	(55,046)	19,495,425	4.1887	81,660,487
6		301 - 15,000		3,743,561		(705,805)	3,037,756	4.0387	12,268,585
7		Over 15,000		151,863		(103,663)	48,200	3.8887	187,435
8									
9									
10	Interruptible Sales (G-2)	Customer Chrg	957			(154)		100.00	80,300
11		0 - 15,000		2,818,200		(764,034)	2,054,166	3.2328	6,640,708
12		Over 15,000		1,351,405		(494,568)	856,837	3.0828	2,641,457
13									
14									
15	Overrun	0 - 15,000		7,506		(7,506)	0	3.5561	0
16		Over 15,000		71,452		(71,452)	0	3.3911	0
17									
18									
19	Large Volume Sales								
20									
21	Firm (LVS-1)	Customer Chrg	67			74		11.60	1,636
22		0 - 300		28,805		120,233	149,038	3.6456	543,333
23		301 - 15,000		993,705		1,005,544	1,999,249	3.4956	5,390,335
24		Over 15,000		182,073		175,380	357,453	3.3456	1,195,895
25									
26									
27	Interruptible (LVS-2)	Customer Chrg	99			227		100.00	32,600
28		0 - 15,000		605,566		1,592,670	2,198,236	2.6897	5,912,595
29		Over 15,000		223,165		1,669,883	1,893,048	2.5397	4,807,774
30									
31									
32	Transportation								
33									
34	Firm Transport (G-1)	Customer Chrg	245			(33)		11.60	2,459
35		0 - 300		63,501		(21,919)	41,582	1.8318	76,170
36		301 - 15,000		1,702,297		(745,297)	957,000	1.6818	1,609,483
37		Over 15,000		250,871		(83,075)	167,796	1.5318	257,030
38									
39									
40	Interr. Transport (G-2)	Customer Chrg	297			(43)		100.00	25,400
41		0 - 15,000		3,033,777		(1,373,684)	1,660,093	0.8759	1,454,075
42		Over 15,000		4,009,703		(2,289,049)	1,720,654	0.7259	1,249,023
43									
44									
45	Carriage Service (T-3)(1)	0 - 15,000		307,651		865,323	1,172,974	0.4622	542,149
46		Over 15,000		998,822		719,379	1,718,201	0.3122	536,422
47									
48									
49	Total Special Contracts (See page 2)		48	7,327,388	0	0	7,337,388		1,226,545
50									
51	Total Tariff			1,948,741	47,590,856	(539,074)	(569,686)	46,455,095	138,561,180
52									
53	Other Revenue								348,872
54									
55	Total Revenue								\$138,910,052

(1) Number of Bills included in G-2 Transportation.

Western Kentucky Gas Company
Summary of Revenue at Present Rates - Revised
Test Year Ended 9/30/94

Schedule 1
Page 2 of 2

Line No.	Description	Block	Number of Bills	Volumes as Metered	Weather Adj. Volumes	Contract Adj. Bills and Volumes	Total Volumes	Present Rates 12/1/94	Present Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Special Contracts								
2									
3		Customer Charge	48			0		\$100.00	\$4,800
4		Reservation Fee							15,976
5	Sales								
6									
7	Interruptible	0 - 15,000		6,507		(6,507)	0	3.2328	0
8		Over 15,000		0			0	3.0828	0
9									
10		0 - 15,000		34,272			34,272	3.1828	109,061
11		Over 15,000		0			0	3.0328	0
12									
13	Overrun								
14		0 - 15,000		0			0	3.5011	0
15		Over 15,000		13,995		(13,995)	0	3.3361	0
16									
17		0 - 15,000		0			0	3.5561	0
18		Over 15,000		106,629		(106,629)	0	3.3911	0
19									
20		0 - 15,000		0			0	3.5561	0
21		Over 15,000		45,291		(45,291)	0	3.3911	0
22									
23	Transportation								
24									
25	Firm	0 - 300		300		(300)	0	1.8318	0
26		301 - 15,000		14,700		(14,700)	0	1.6818	0
27		Over 15,000		22,200		(22,200)	0	1.5318	0
28									
29		0 - 300		900		(900)	0	1.8318	0
30		301 - 15,000		44,100		(44,100)	0	1.6818	0
31		Over 15,000		195,000		(195,000)	0	1.5318	0
32									
33	Interruptible	Customer Charge						100	0
34		All Mcf - G-2		700,361		(700,361)		N/A	0
35									
36		0 - 15,000		67,949			67,949	0.8259	56,119
37		Over 15,000		0			0	0.6759	0
38									
39	Carriage	All Mcf - T-3				706,868	706,868	0.1247	88,146
40									
41		0 - 15,000		87,211			87,211	0.4122	35,948
42		Over 15,000		847,632		13,995	861,627	0.2622	225,919
43									
44		All Mcf		2,177,952		143,829	2,321,781	0.0947	219,873
45									
46		Firm		1,095,000			1,095,000	0.1847	202,247
47		Interruptible		1,867,389		285,291	2,152,680	0.1247	268,439
48									
49									
50	Total Tariff			48	7,327,388	0	0	7,327,388	21,226,548

Western Kentucky Gas Company
Case No. 95-010
Rate Comparison
Reconciliation of Base Rates to Rates at
December 1994.

		1995 Rates			1996 Rates			Rates at Dec 1994 Gas Cost
		Base Rates	OCA	LVS Commodity	Base Rates	OCA	LVS Commodity	Rates at Dec 1994 Gas Cost
Sales								
Firm Sales (G-1)	Customer Chrg	\$5.10			\$5.10			\$5.10
	Customer Chrg	13.60			13.60			13.60
	0 - 300	4.4438	(\$0.0709)		4.3729			4.4237
	301 - 15,000	3.9916	(0.0709)		3.9207			3.9207
	Over 15,000	3.8416	(0.0709)		3.7707			3.7707
HLF Firm Sales (G-1)	Customer Chrg	13.60			13.60			13.60
	Demand Charge		5.5371		5.5371			5.5371
	0 - 300	3.6620	(0.0709)		3.5911			3.6419
	301 - 15,000	3.2098	(0.0709)		3.1389			3.1389
	Over 15,000	3.0598	(0.0709)		2.9889			2.9889
Interruptible Sales (G-2)	Customer Chrg	150.00			150.00			150.00
	0 - 15,000	3.1449	(0.0307)		3.1142			3.1142
	Over 15,000	2.9949	(0.0307)		2.9642			2.9642
Large Volume Sales								
Firm (LVS-1)	Customer Chrg	13.60			13.60			13.60
	0 - 300	1.0107	1.0053	\$1.8138	3.8298	1.0615	1.0053	\$1.8138
	301 - 15,000	0.5585	1.0053	1.8138	3.3776	0.5585	1.0053	1.8138
	Over 15,000	0.4085	1.0053	1.8138	3.2276	0.4085	1.0053	1.8138
HLF Firm (LVS-1)	Customer Chrg	13.60			13.60			13.60
	Demand Charge		5.5371		5.5371			5.5371
	0 - 300	1.0107	0.2235	1.8138	3.0480	1.0615	0.2235	1.8138
	301 - 15,000	0.5585	0.2235	1.8138	2.5958	0.5585	0.2235	1.8138
	Over 15,000	0.4085	0.2235	1.8138	2.4458	0.4085	0.2235	1.8138
Interruptible (LVS-2)	Customer Chrg	150.00			150.00			150.00
	0 - 15,000	0.4936	0.2637	1.8138	2.5711	0.4936	0.2637	1.8138
	Over 15,000	0.3436	0.2637	1.8138	2.4211	0.3436	0.2637	1.8138
Transportation								
Firm Transport (G-1)	Customer Chrg	13.60			13.60			13.60
	Transport Bill Fee	45.00			45.00			45.00
	0 - 300	1.0107	1.0053		2.0160	1.0615	1.0053	2.0668
	301 - 15,000	0.5585	1.0053		1.5638	0.5585	1.0053	1.5638
	Over 15,000	0.4085	1.0053		1.4138	0.4085	1.0053	1.4138
HLF Firm Transport (G-1)	Customer Chrg	13.60			13.60			13.60
	Transport Bill Fee	45.00			45.00			45.00
	Demand Charge		5.5371		5.5371			5.5371
	0 - 300	1.0107	0.2235		1.2342	1.0615	0.2235	1.2850
	301 - 15,000	0.5585	0.2235		0.7820	0.5585	0.2235	0.7820
	Over 15,000	0.4085	0.2235		0.6320	0.4085	0.2235	0.6320
Interr. Transport (G-2)	Customer Chrg	150.00			150.00			150.00
	Transport Bill Fee	45.00			45.00			45.00
	0 - 15,000	0.4936	0.2637		0.7573	0.4936	0.2637	0.7573
	Over 15,000	0.3436	0.2637		0.6073	0.3436	0.2637	0.6073
Carriage Service (T-3)	Customer Chrg	150.00			150.00			150.00
	Transport Bill Fee	45.00			45.00			45.00
	0 - 15,000	0.4936	(0.0153)		0.4783	0.4936	(0.0153)	0.4783
	Over 15,000	0.3436	(0.0153)		0.3283	0.3436	(0.0153)	0.3283
Carriage Service (T-4)	Customer Chrg	150.00			150.00			150.00
	Transport Bill Fee	45.00			45.00			45.00
	0 - 300	1.0107	(0.0153)		0.9954	1.0615	(0.0153)	1.0462
	301 - 15,000	0.5585	(0.0153)		0.5432	0.5585	(0.0153)	0.5432
	Over 15,000	0.4085	(0.0153)		0.3932	0.4085	(0.0153)	0.3932