

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE FUEL FLEX TARIFF)
OF WESTERN KENTUCKY GAS COMPANY) CASE NO. 89-354

O R D E R

This matter arises upon the filing of a motion to consolidate or in the alternative to continue filed by the Attorney General of the Commonwealth of Kentucky, by and through his Utility and Rate Intervention Division, ("AG") on March 6, 1990. The AG has requested the Commission consolidate the instant case with the Western Kentucky Gas Company, a division of Atmos Energy Corporation, ("Western") rate filing in Case No. 90-013.¹ In the alternative, the AG moves the Commission to postpone the hearing scheduled for Thursday, March 8, 1990, at 10:00 a.m. for a reasonable period of time after March 8, 1990 to enable the AG to present evidence in this case and formulate cross-examination questions.

With respect to the reasons advanced by the AG in support of his motion, the Commission notes the following:

The AG states that he has only recently become aware of this case and that the Commission's normal practice has been to notify

¹ Case No. 90-013, Adjustment of the Rates for Western Kentucky Gas Company.

the AG by form letter each time a case is established. The Commission notes at this juncture that the AG is notified, as a matter of courtesy, when applications involving rates are filed by utilities but the Commission does not notify the AG, as a matter of course, of every tariff filing or every action initiated upon the Commission's own motion. The Commission would further note that this filing appeared in the December 15, 1989 Update and was noted a second time in the February 28, 1990 Update reflecting interim approval to implement the flex mechanism.

The AG argues in support of his motion that this case is highly abnormal since this proceeding is to establish "new" rates. This is simply not true. A review of the tariff filing in this matter reveals that Western is proposing a provision to flex an existing tariffed transportation rate and not to establish new rates. Neither is this an abnormal proceeding, the Commission having experience with like issues in the tariffs of Columbia Gas of Kentucky and The Union Light, Heat and Power Company.

The AG also requests that the instant case be consolidated with the Western rate case to avoid duplication of efforts since, in his view, "much of the information needed to evaluate this proceeding must come from the rate case filing." This proceeding is in its final stages, the Commission having issued a data request and an Interim Order. No further information is requested. Per Interim Order, a hearing was established to afford Western the "opportunity to support the reasonableness of its

recovery mechanism."² The information necessary to complete the Commission's decision making process in this case is information relevant to the issues discussed in the Commission's February 21, 1990 Order granting interim approval of the flexing methodology.

Finally, the AG states that the "heating season is over and there can no longer be any sense of urgency in this matter." The customers to which this tariff revision might apply are industrial customers using natural gas in manufacturing and industrial processes. The heating season is irrelevant.

The Commission, after consideration of the pending motion and being otherwise sufficiently advised, finds:

1. The motion for consolidation of Case No. 89-354 and Case No. 90-013 should be denied due to the advance stage of the proceedings in the instant case and the questionable relevancy of the data necessary to process the two cases.

2. Since Western, by counsel, filed a letter March 7, 1990 stating that no response to the motion to continue would be filed, the Commission assumes no prejudice will result to Western from the granting of the motion to continue.

IT IS THEREFORE ORDERED that:

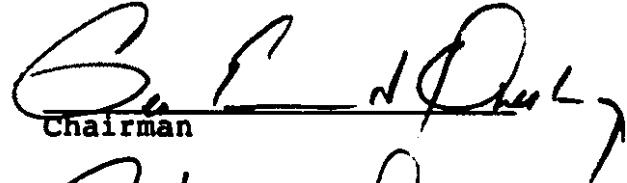
1. The AG's motion to consolidate be and it hereby is denied.

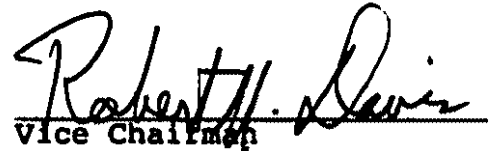
² Commission Order of February 21, 1990 at 2.

2. The AG's motion to continue the hearing in this matter be and it hereby is granted. The hearing shall be scheduled for March 16, 1990, at 10:00 a.m., Eastern Standard Time, in the Commission's offices in Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 8th day of March, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director