

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS ADJUSTMENT)
FILING OF MARTIN GAS, INC.) CASE NO. 10204-H

O R D E R

On August 5, 1991, Martin Gas, Inc. ("Martin") notified the Commission that its wholesale cost of gas would be increased by its supplier, Columbia Gas of Kentucky, Inc. ("Columbia"), effective September 1, 1991, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. On August 30, 1991, the Commission suspended Martin's proposed rates for five months, beginning September 1, 1991, in order to investigate the reasonableness of the proposed increase. Martin's proposed increase was based upon Columbia's filing of August 1, 1991, in Case No. 90-063-B¹ which was also suspended for five months beginning September 1, 1991.

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

¹ Case No. 90-063-B, Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., Order dated August 27, 1991.

1. On September 4, 1991, Columbia filed revised rates in Case No. 90-063-B to be effective September 1, 1991, which were approved on an interim basis by Order dated October 17, 1991.

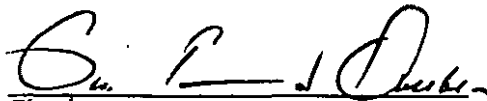
2. On September 24, 1991, Martin filed revised rates in Case No. 10204-J² to be effective September 1, 1991, based on Columbia's September 4, 1991, filing. Martin's proposed adjustment in rates was approved, subject to refund.

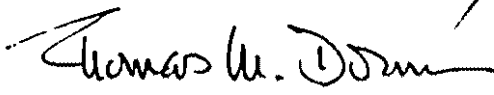
3. Martin's filing in Case No. 10204-J supersedes the original adjustment proposed in this case rendering this filing moot. Therefore, Martin's proposed rates should be denied.

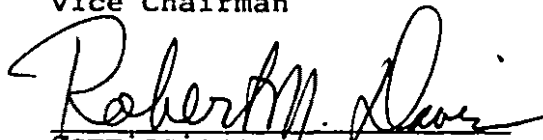
IT IS THEREFORE ORDERED that the rates proposed by Martin be and they hereby are denied.

Done at Frankfort, Kentucky, this 28th day of January, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

² Case No. 10204-J, Notice of Purchased Gas Adjustment Filing of Martin Gas, Inc., Order dated October 29, 1991.

to Ashland? Are any other customers supplied with gas received through this tap? If not, what are the future prospects of serving other customers from this tap?

5. What was the entire cost of the Transmission tap and related line to KOG? How quickly does KOG expect to be able to recover its investment?

6. How does KOG's delivered rate to Ashland compare with the total price for gas delivered to Ashland through Columbia, if KOG has access to this information?

7. If KOG does not have access to Ashland's delivered price of gas through Columbia, will it be sponsoring a witness representing Ashland to supply this information?

To Be Provided By Columbia:

1. Based on the possible loss of 500 Mcf per day transportation volumes to KOG, what would be the revenue loss experienced by Columbia over a 12-month period? What is the impact per customer?

2. Provide on a monthly basis the number of Mcf volumes delivered to Ashland by Columbia over the last 12-month period.

3. What facilities belonging to Columbia are involved in providing transportation service to Ashland? Which of these facilities exist for the sole purpose of providing service to Ashland?

4. Does Ashland have to nominate its desired transportation volumes? If yes, how often?

5. Has Columbia ever at any time been unwilling or unable to provide Ashland 100 percent of its nominated transportation volumes?

6. Has Ashland ever requested delivery of more than its nominated volumes? If so, has Columbia ever been unwilling or unable to supply more than Ashland's nominated volumes?

7. Has Ashland indicated to Columbia any intention of completely bypassing its system?

8. How does KOG's delivered rate to Ashland compare with the total price for gas delivered to Ashland through Columbia, if Columbia has access to this information?

9. Has Columbia ever had any specific concern in the past about the possibility of its supply to Ashland being physically by-passed by another party?

Done at Frankfort, Kentucky, this 28th day of January, 1992.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-018 DATED JANUARY 28, 1992

Responses of all parties to data requests
shall be due no later than 2/07/92

Prefiled Testimony of all parties shall
be due simultaneously no later than. 2/13/92

Public Hearings are to begin at 10:00 a.m.,
Eastern Standard Time, in Hearing Room 1 of
the Commission's offices at 730 Schenkel
Lane, Frankfort, Kentucky. 2/18/92