

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY TO MODIFY THE DELIVERY)	CASE NO. 92-111
SERVICE RATE SCHEDULES)	

O R D E R

On March 5, 1992, Columbia Gas of Kentucky ("Columbia") filed with the Commission a proposed tariff to modify its Delivery Service Rate Schedule. On March 25, 1992, the Commission issued its Order suspending the proposed tariff for a period of five months from April 4, 1992 up to and including September 3, 1992. After issuance of a data request and the receipt of responses, a hearing was conducted on July 17, 1992.

The changes in Columbia's tariff were proposed for the stated purpose of reflecting Columbia's current practice of establishing transportation customers under Rate Schedule GS, FI, IS or IUS. According to Columbia, this practice maintains equities as to minimum bills and customer charges and identifies what rate it will charge for any tariff sales made to customers that under-nominate their monthly gas requirements. The proposed revision to Rate Schedule DSML-Main Line Delivery Service clarifies that Columbia considers only GS, FI or IS customers eligible for this service, thereby excluding IUS customers because of their requirements for a firm and uninterrupted gas supply.

After considering the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's revision to Sheet No. 7-A to correspond with its current practice of requiring a transportation customer to be established under a sales contract is reasonable and should be approved.

2. No customer otherwise eligible for Main Line Delivery Service would be precluded from being served under this tariff by the exclusion of the IUS rate schedule as one of those which may be used for establishing service. Under the GS, FI or IS rate schedules, customers may nominate the level of firm service they desire, if any, and Columbia is assured of recovery of any associated demand charges. It is not unreasonable for Columbia to exclude the IUS rate schedule from eligibility for Main Line Delivery Service based on the possibility that it would have a firm obligation to serve a customer who may have only contracted for interruptible service on the serving pipeline. The associated IUS rates would be inadequate to compensate Columbia for demand charges incurred on behalf of the customer. The proposed revision to Sheet No. 7-A2, Rate Schedule DSML-Main Line Delivery Service should be approved as proposed, with the exception of part (d) of the Availability section, which should be approved as corrected in Columbia's Item 3 of its data response of June 1, 1992.

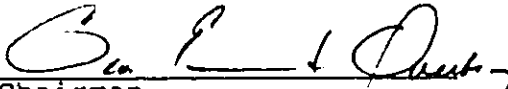
IT IS THEREFORE ORDERED that:

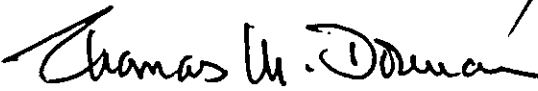
1. Columbia's proposed tariff revisions to Sheet Nos. 7-A and 7-A2 are hereby approved with the correction noted herein.

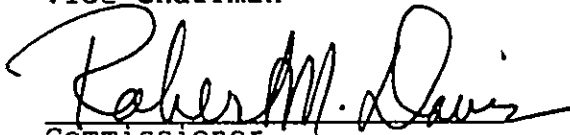
2. Within 20 days of the date of this Order, Columbia shall file tariff sheets reflecting the approved revisions.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director