

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF COLUMBIA) CASE NO. 90-063-K
GAS OF KENTUCKY, INC.)

O R D E R

On January 27, 1994, Columbia Gas of Kentucky, Inc. ("Columbia") filed its gas cost adjustment and a tariff with rates to become effective on and after March 1, 1994.

After reviewing the filings, the Commission finds that further proceedings are necessary in order to determine the reasonableness of the proposed adjustment in rates and that such proceedings cannot be completed prior to the proposed effective date.

IT IS THEREFORE ORDERED that:

1. Columbia's proposed rates be and they hereby are suspended for 5 months from the proposed effective date up to and including July 31, 1994.

2. Nothing in this Order shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

3. Within 7 days of the date of this Order, Columbia shall provide the following information:

a. Did Columbia receive any gas inventory charges ("GICs") from Columbia Gas Transmission ("Transmission")? If not, why not?

b. If Columbia's failure to receive GICs resulted from Columbia's decision to purchase from the pipeline as opposed to the spot market, document the cost savings realized from this purchasing strategy.

c. Explain the methodology used in calculating the "cost of gas purchased per Dth" on pages 5, 6, and 7 of Schedule No. 1.

d. With reference to Columbia's Motion to Deviate From Gas Cost Adjustment Procedures filed February 17, 1994, explain when Columbia received these supplier refunds and why.

Done at Frankfort, Kentucky, this 24th day of February, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director