

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PUBLIC GAS COMPANY, INCORPORATED TARIFF)
FILING TO ALLOW IT TO INSTALL, OWN,) CASE NO. 93-320
OPERATE AND MAINTAIN SERVICE LINES)

O R D E R

On August 18, 1993, Public Gas Company, Incorporated ("Public Gas") filed a tariff with the Commission that would, if approved, allow Public Gas to deviate from 807 KAR 5:022, Section 9(17)(a)(2). The proposed deviation would allow Public Gas to assume responsibility for the ownership and maintenance of customer-owned service lines. This case was established to allow the Commission to consider and determine the reasonableness of Public Gas's tariff.

Public Gas provided information regarding the service cost and impact of its proposed ownership of service lines on rates. In its tariff, Public Gas proposed to install service lines which extend from the property line to the meter of any new residential or commercial customers. Public Gas also proposed to assume responsibility of operating and maintaining residential and commercial customer service lines that are currently in service. When replacement of an existing service line is necessary, Public Gas will replace the line and thereafter own, operate, and maintain the service line.

If the tariff is approved, Public Gas estimates that 20 additional service lines will be installed every year and estimates its cost to be \$443 per customer to install a new service line and \$278 per customer to replace an existing service line. When the length of the service line exceeds 100 feet, Public Gas will charge the customer its average cost per foot of line in excess of 100 feet.

Public Gas's projections show that over a five year planning period its revenue needs will be reduced in each of the five years. The financial information provided by Public Gas indicates no change in rates is required for Public Gas to implement and maintain this program.

After consideration of the foregoing, other matters of record and being otherwise sufficiently advised, the Commission finds that the tariff as proposed by Public Gas should be approved.

IT IS THEREFORE ORDERED that:

1. Public Gas be and it hereby is granted a deviation from 807 KAR 5:022, Section 9(17)(a)(2), and its tariff is approved. Public Gas is authorized to install customer service lines not to exceed 100 feet at no cost to customers on and after the date of this Order. Thereafter, Public Gas shall own operate and maintain the service line. For service lines in excess of 100 feet, Public Gas may charge the customer for the additional length of service line.

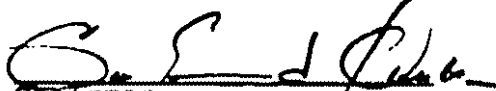
2. Public Gas shall operate and maintain existing service lines at no cost to its customers on and after the date of this

Order. When a customer's service line is to be replaced, Public Gas shall install a new service line and thereafter own, operate, and maintain that service line.

3. Within 30 days of the date of this Order, Public Gas shall file its revised tariffs as approved herein.

Done at Frankfort, Kentucky, this 15th day of February, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director