

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF THE RATES)
OF COLUMBIA GAS OF KENTUCKY, INC.) CASE NO. 94-179
ON AND AFTER JANUARY 1, 1995)

O R D E R

On June 1, 1994, Columbia Gas of Kentucky, Inc. ("Columbia Gas") applied for a rate adjustment. Having reviewed the application and finding that it fails to comply with KRS 278.192, the Commission rejects the application.

Utilities proposing a rate increase based upon a forward-looking test period must comply with KRS 278.192. KRS 278.192 (1) requires that the forward-looking test period correspond to "the first twelve (12) consecutive calendar months the proposed increase would be in effect after the maximum suspension provided in KRS 278.190(2)." As KRS 278.190(2) provides for a 6-month period, the forward-looking test period cannot commence earlier than six months after the proposed effective date of the rate adjustment.

The application of Columbia Gas does not comply with KRS 278.192. Columbia Gas proposes the use of a forward-looking test period which runs from January 1, 1995 to December 31, 1995. The

effective date of the proposed rates is January 1, 1995.¹ The forward-looking test period begins too early.

As it does not comply with the requirements of KRS 278.192, Columbia Gas's application must be rejected. If Columbia Gas wishes to proceed with its application, it should within the next 20 days amend its application to comply with KRS 278.192. Until such compliance has been achieved, the rates proposed by Columbia Gas are legally void and may not be placed into effect.

IT IS THEREFORE ORDERED that:

1. The application of Columbia Gas for a rate adjustment is rejected.

¹ On the tariff sheets which contain the proposed rates, Columbia Gas has listed an effective date of July 1, 1994. In its "Statement and Notice", however, Columbia Gas states:

Columbia hereby gives notice to the Public Service Commission of the adjustment of its rates from those set forth in Exhibit No. 1 in the filing requirements to those rates set forth in Exhibit No. 2 in the filing requirements, in the total amount of \$12,397,625 on an annual basis, to become effective on and after January 1, 1995 [emphasis added].

Statement and Notice, at 3, §7. In its published notice of the proposed rate adjustment, Columbia Gas further states:

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky corporation has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective January 1, 1995, for service rendered on and after January 1, 1995 [emphasis added].

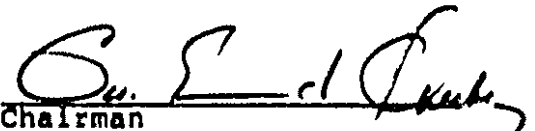
As the "Statement and Notice" is a verified document and as the published notice is mandated by statute, the Commission believes that the effective date set forth in these documents is controlling.

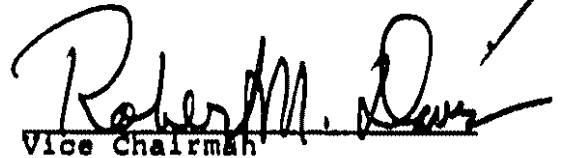
2. Columbia Gas shall have 20 days in which to amend its application to comply with KRS 278.192.

3. The rates set forth in Columbia's application shall not be placed in effect.

Done at Frankfort, Kentucky, this 28th day of June, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director