

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 JULY 1, 1994)

O R D E R

On September 23, 1994, a Joint Stipulation and Recommendation was filed by Columbia Gas of Kentucky, Inc. ("Columbia Gas"); The Attorney General of the Commonwealth of Kentucky; the Lexington-Fayette Urban County Government; Franklin and Berneice Howard, represented by the Office of Kentucky Legal Services, Inc. and the Appalachian Research and Defense Fund, Inc.; the Kentucky Industrial Utility Customers; and Commonwealth Energy Services Inc. The parties represent to the Commission that the Joint Stipulation and Recommendation expresses a mutually satisfactory resolution of all the issues in the instant proceeding. Accordingly, the parties encourage the Commission to adopt the agreement in its entirety.

The Commission notes that Columbia Gas has not complied with 807 KAR 5:001, Section 10, which requires that notice of Columbia's proposed rates be given. No notice of the Customer Assistance Program ("CAP") surcharge has been given especially to the residential ratepayers, the class most affected by the proposed surcharge. Public notice of the proposed surcharge is necessary to afford the residential ratepayers and others the opportunity to protect and defend their interests.

IT IS THEREFORE ORDERED that:

1. A hearing for the presentation of evidence regarding the reasonableness of the proposed Joint Stipulation and Recommendation be and it has been scheduled for November 3, 1994, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commissions offices at 730 Schenkel Lane, Frankfort, Kentucky.

2. The parties shall, on or before October 17, 1994, file a list of witnesses who will testify in support of the agreement. Simultaneously, the parties shall prefile any exhibits which will be used at the hearing.

3. Columbia Gas shall publish notice of the hearing in accordance with 807 KAR 5:001, Section 10.

4. Columbia Gas shall immediately publish notice to all its customers of the proposed CAP surcharge in conformity with 807 KAR 5:001, Section 10.

5. The parties shall submit legal memoranda briefing the issues set forth below. Said legal memoranda shall be filed on or before October 21, 1994, and the parties shall be prepared to make oral presentations on the issues at the conclusion of the October 28, 1994 hearing. The issues to be briefed are:

(a) Does the Public Service Commission have the statutory authority to approve a multi-phase rate settlement? Cite and consider all relevant authority.

(b) Does the Public Service Commission have the statutory authority to approve the CAP? Cite and consider all relevant authority.


i. Does the CAP program create any unreasonable preference or advantage or maintain any unreasonable difference between classes of service for providing a like service as prohibited by KRS 278.170(1)?

ii. Does approval of a CAP surcharge create any unreasonable preference, advantage, difference or prejudice between classes of service for providing a like service as prohibited by KRS 278.170(1)?


iii. Does the CAP program and surcharge establish suitable and reasonable classifications of service, patrons and rates as detailed in KRS 278.030(3)?

Done at Frankfort, Kentucky, this 5th day of October, 1994.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director