

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF AUXIER ROAD GAS )  
COMPANY TO ESTABLISH A DISTRIBUTION ) CASE NO. 95-511  
TRANSPORTATION TARIFF )

O R D E R

Following the commencement of this proceeding, Auxier Road Gas Company and Commission Staff entered into negotiations to resolve all disputed issues. On January 22, 1996, they executed a Settlement Agreement, which is appended hereto, and subsequently submitted it for Commission approval.


After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is in the public interest, results in a reasonable resolution of this case and should therefore be approved.


IT IS THEREFORE ORDERED that:


1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.
2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

Done at Frankfort, Kentucky, this 23rd day of January, 1996.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION  
IN CASE NO. 95-511 DATED JANUARY 23, 1996.

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BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF AUXIER ROAD GAS )  
COMPANY TO ESTABLISH A DISTRIBUTION ) CASE NO. 95-511  
TRANSPORTATION TARIFF )

SETTLEMENT AGREEMENT

This Agreement is made and entered into this 22nd day of January, 1996 by and between the Staff of the Public Service Commission of Kentucky ("Staff") and Auxier Road Gas Company ("Auxier Gas").

W I T N E S S E T H

THAT on October 20, 1995 Auxier Gas filed its transportation tariff proposing a transportation rate of \$0.71 per Mcf for gas volumes transported on behalf of Sigma Gas Company.

THAT on November 20, 1995 the Public Service Commission ("Commission") suspended the operation of Auxier Gas's tariff pursuant to KRS 278.190 through April 19, 1996.

THAT on November 29, 1995 Auxier Gas filed a motion for reconsideration of the Commission's November 20, 1995 Order which was subsequently denied by Order issued on December 20, 1995.

THAT on January 3, 1996 Auxier Gas filed a motion for reconsideration of the Commission's December 20, 1995 Order and that request is still pending before the Commission.

THAT no person has sought or been granted intervention in this proceeding.

THAT in Order to resolve the issues before the Commission regarding Auxier Gas's proposed transportation rate, Auxier Gas and Staff have met and agreed to the following:

NOW, THEREFORE, be it resolved that for the purposes of settling this matter:

1. Auxier Gas and Staff agree that all outstanding issues raised in this proceeding shall be resolved by this Agreement.

2. Auxier Gas and Staff agree that a transportation rate of \$0.20 per Mcf of gas transported on behalf of Sigma Gas Company, Inc. is a reasonable charge for such service effective with bills rendered on and after the date this Agreement is approved by the Commission, and is not limited to or based upon any specific methodology or adjustments.

3. This Agreement is reasonable and will result in a fair, just, and reasonable charge for the service to be provided by Auxier Gas and should be adopted by the Commission.

4. This Agreement is subject to the approval of the Commission.

5. If the Commission fails to accept and approve this Agreement in its entirety, this proceeding shall go forward and neither the terms of this Agreement nor any other matters raised during negotiations shall be binding on either signatory.

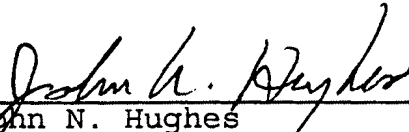
6. If the Commission accepts and adopts this Agreement in its entirety, Auxier Gas shall not apply for rehearing nor bring an action for judicial review.


7. This Agreement is submitted for purposes of this case only and is not deemed binding on the signatories hereto in any

other proceeding nor is it to be offered or relied upon in any other proceeding involving the signatories.

8. The signatories agree that the foregoing Agreement is reasonable, in the best interest of all concerned, and resolves the issues presented in this case to the satisfaction of Auxier Gas and Staff and urge the Commission to adopt the Agreement in its entirety.

AGREED TO BY:

  
\_\_\_\_\_  
John N. Hughes  
Counsel for Auxier Gas Company

  
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Rebecca W. Goodman  
Counsel for Commission Staff