

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

STAND ENERGY CORPORATION)	
)	
COMPLAINANT)	
v.)	CASE NO. 2002-00079
)	
COLUMBIA GAS OF KENTUCKY, INC.)	
)	
DEFENDANT)	

O R D E R

On February 27, 2002, Stand Energy Corporation (Stand) filed a complaint against Columbia Gas of Kentucky, Inc. (Columbia). The complainant alleges that practices and acts of Columbia affecting or relating to the provision of service in Columbia s Small Volume Gas Transportation Service program (Customer Choice Program)¹ are unreasonable.

STATEMENT OF THE CASE

Columbia is a Kentucky corporation engaged in the business of selling and distributing natural gas within the Commonwealth of Kentucky and is regulated by the Commission as a utility under KRS 278.010(3)(b).

Stand is a Kentucky corporation engaged in the marketing of natural gas in the Commonwealth of Kentucky. Stand was certified by Columbia as a marketer to deliver

¹ The Commission approved Columbia s Customer Choice Program on January 27, 2000, in Case No.1999-00165, The Tariff Filing of Columbia Gas of Kentucky, Inc. to Implement a Small Volume Gas Transportation Service, to Continue its Gas Cost Incentive Mechanisms, and to Continue its Customer Assistance Program.

natural gas, on a firm basis, into Columbia's system on behalf of customers receiving transportation service under Columbia's Customer Choice Program Small Volume Transportation Service Rate Schedule. It entered into a written Aggregation Agreement with Columbia on or about September 13, 2000.

Stand states that when natural gas prices began to rise in December 2000, Stand and Columbia agreed that Stand's customers should be returned to Columbia's sales service effective December 29, 2000 for the rest of the 2000-2001 heating season. Stand contends that to satisfy its delivery requirements under the Aggregation Agreement, it was required to purchase gas at a cost of over \$10/Dth and that the delivery of said gas resulted in an over-delivery to Columbia's system. Stand states that the Aggregation Agreement provides for an annual reconciliation to resolve imbalances between the deliveries it made to Columbia's system and the actual amount consumed by its Customer Choice customers for the 12-month period ended each July 31 and that it further provides that the reconciliation will be completed within 20 working days of July 31. Stand requested Columbia to reconcile the gas imbalance and return the imbalance while the gas was high enough for Stand to mitigate its damages. Stand alleges that Columbia refused to return the over-delivered gas until after the annual reconciliation. Stand further alleges that the reconciliation was not completed until October 2001. Stand contends that Columbia's failure to reconcile the imbalance prior to the annual reconciliation and failure to complete the reconciliation within the time frame established in the agreement caused Stand to suffer financial damages.

Stand asserts that Columbia's practices and acts relating to its provision of service are unreasonable and requests that the Commission enter an Order preventing

Columbia from forcing Stand to take redelivery of the imbalance gas until final resolution of this case and requiring Columbia to make financial compensation to Stand for its alleged damages.

Commission Jurisdiction

Stand has requested that the Commission award it financial compensation, including compensation for the lost time value of money. Claims for damages are not within the Commission's jurisdiction. See Carr v. Cincinnati Bell, Inc., Ky.App., 651 S.W.2d 126 (1983) (and cases cited therein) (discussing the line to be drawn between Public Service Commission jurisdiction and that of the courts, and specifically noting the inability of the Commission to award damages).

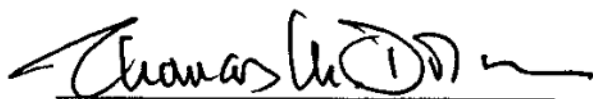
Based upon the foregoing, the Commission finds that the remedies sought by Stand are not within the Commission's jurisdiction.

IT IS THEREFORE ORDERED that Stand's complaint is dismissed and is removed from the Commission's docket.

Done at Frankfort, Kentucky, this 25th day of April, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director