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16 Olde Village Dr.
Nicholasville, KY 40356
June 21, 2016

PUBLIC SERVICE
COMMISSION

Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Dear Sir or Madam:

The current arrangement for customers to compensate Columbia Gas of Kentucky is clearly not in the public interest and should be changed. Specifically, the current arrangement does not encourage conservation as it could and should. And, lower volume customers, who frequently are poorer customers, are paying more than their fair share to maintain the system, while higher volume customers, who frequently are wealthier customers, are paying less than their fair share. Note that I am not advocating less compensation for the gas company. Rather, I am advocating for a fairer and more environmentally friendly approach.

Unlike the water and electric utilities in my service area, Columbia Gas has a current monthly residential user charge of \$15 for simply being connected. On my bill it is called a customer's charge and defined to "covers a portion of the fixed costs required to ensure that natural gas service is available to your home". Obviously, other utilities, such as electric and water, also have maintenance costs, and it seems safe to assume they are able to recover those costs through charges for the electricity and water used by their customers. This latter arrangement is much more in the public interest in that it encourages conservation and requires heavy users to pay more to maintain the utility.

On my June bill, I used only 1.6 MCF of gas, resulting in a charge of \$3.50 on a total charge of \$25.95 for the month. That seems to me to be ridiculous!

I noticed in a recent posting in the Herald Leader that Columbia Gas is proposing to modify their current compensation plan. What caught my eye was the proposed increase in the monthly residential user charge from \$15 to \$19.75. I strongly urge the Public Service Commission to reject that increase, which would make a bad situation worse. Further, I strongly urge the Public Service Commission to require Columbia Gas to develop an alternative strategy for receiving customer compensation that does more to encourage conservation and requires heavier users to pay their fair share to maintain the system. Other utilities do it. Columbia Gas can and should do it.

Sincerely,

Ronald K Atwood

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