## COMMONWEALTH OF KENTUCKY

## BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

THE APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC., FOR AUTHORITY TO REVISE ITS TARIFF TO PROVIDE FOR A DELAYED PAYMENT PENALTY

CASE NO. 7691

## <u>O R D E R</u>

On November 26, 1979, Columbia Gas of Kentucky, Inc., ("Columbia"), filed with the Energy Regulatory Commission ("Commission"), an application for authority to revise its tariff to provide for a delayed payment penalty. The application further requested that the filling of data required by 807 KAR 50:005 (formerly 807 KAR 1:010), Section 9, and formal hearing be waived.

The Commission, having reviewed the application and tariff, having considered the evidence, and being sufficiently advised, FINDS:

(1) Columbia presently charges a penalty of six percent
(6%) on past due accounts of customers served under rate schedules
FC-1, FI-1, FI-2, IS-1, and IUS-1. No penalty is provided for
customers served under other rate schedules.

(2) The proposed tariff revision provides a delayed payment penalty of one and one-half percent  $(1\frac{1}{2}\%)$  per month on overdue accounts of \$2,000 or more, accruing on the unpaid portion of the bill from the due date until the date of payment. The penalty would be applicable to all rate schedules, but would be unlikely to effect residential customers due to the magnitude of past due bill accumulation necessary before the penalty could be imposed.

(3) Columbia has experienced sizeable cash flow deficiencies as a result of the failure of large volume users to pay bills when due, necessitating the borrowing of funds by the utility to replace such deficiencies at a higher interest rate than can be recovered under present tariff provisions.

(4) The proposed delayed payment penalty would attribute such costs to those users responsible for them, is fair just and reasonable, and should be approved. (5) The record before the Commission provides sufficient evidence upon which to base a decision, and the filing of further data or taking of further evidence would serve no purpose. The filing of data required by 807 KAR 50:005 and formal hearing should, therefore, be waived.

IT IS THEREFORE ORDERED that the filing of data as required by 807 KAR 50:005 and formal hearing are hereby waived.

IT IS FURTHER ORDERED that the proposed tariff revision be and it is hereby approved, effective on and after the date of this Order. The pages of the tariff filing herein approved are:

First Revised Sheet No. 51

First Revised Sheet No. 109

IT IS FURTHER ORDERED that Columbia Gas of Kentucky, Inc., file with the Commission appropriate tariff sheets, as approved herein, within thirty (30) days from the date of this Order.

Done at Frankfort, Kentucky, this 6th day of February, 1980.

ENERGY REGULATORY COMMISSION

Chairman Vice Chairman

ATTEST:

Acting Secretary