

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE TARIFF APPLICATION OF)
COLUMBIA GAS OF KENTUCKY, INC.,)
TO ESTABLISH A VARIABLE PRICING) CASE NO. 8835
TARIFF)

O R D E R

On May 6, 1983, Columbia Gas of Kentucky, Inc., ("Columbia") filed a tariff with the Commission proposing to establish a variable rate determination method and rules and regulations for variable pricing of natural gas delivered to customers who have the installed capability of using No. 2 fuel oil as an alternative fuel. On May 23, 1983, the Commission suspended Columbia's proposed tariff for a period of 5 months on and after the proposed effective date of June 1, 1983. The Commission issued an information request in this case on August 30, 1983, and Columbia complied by filing its responses on September 21, 1983. There were no intervenors of record nor was a hearing conducted in this matter.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

1. Columbia's variable pricing tariff should be approved as filed and revised in response ld. to the Commission's information request on an experimental basis for 1 year effective November 1, 1983, through October 31, 1984.

2. In addition to the applicable rate and current floor rate, Columbia's monthly filing submitted for Commission review should include:

- data sources and prices for No. 2 fuel oil.
- applicable price per MMBtu for both gas and oil.
- a statement of the natural gas premium and the basis used to calculate that premium.
- number of customers served by this tariff and sales volumes for the past month.
- revenue received under this tariff and revenue that would have been received had the established tariff rate (ceiling price) been charged.

IT IS THEREFORE ORDERED that Columbia's variable pricing tariff be and it hereby is authorized effective on an experimental basis for the period from November 1, 1983, through October 31, 1984.

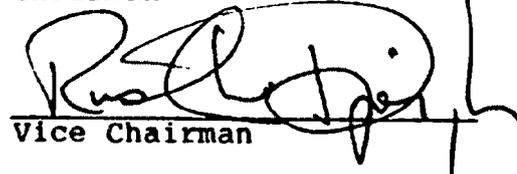
IT IS FURTHER ORDERED that Columbia's monthly filing under this tariff shall include such information as found reasonable herein.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Columbia shall file with this Commission its revised tariffs for variable pricing authorized herein.

Done at Frankfort, Kentucky, this 1st day of November, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary