COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC., FOR APPROVAL OF A SPECIAL INTERIM AGENCY SERVICE	))))	CASE NO. 9529

O R D E R

On April 2, 1987, Columbia Gas of Kentucky, Inc., ("Columbia") filed a letter requesting that the experimental tariff previously approved in this case be extended beyond its current expiration date and modified to make it available to more customers. The Commission originally approved the tariff upon finding that it would help Columbia retain customers who would otherwise have converted to alternate fuels. The tariff was approved by Order dated May 2, 1986, and was to expire one year thereafter. On April 28, 1987, the Commission issued its Order to reopen this case to consider Columbia's request to extend and modify the tariff; the current tariff provisions were to remain in effect pending the outcome of this case. Pursuant to that Order, the Commission now requests additional information pertaining to this case.

IT IS THEREFORE ORDERED that Columbia shall file an original and 10 copies of the following information with the Commission, with a copy to all parties of record. The information requested herein is due no later than June 30, 1987. If the information cannot be provided by this date, Columbia should submit a motion for an extension of the time stating the reason a delay is necessary and including a date by which it will be furnished. Such motion will be considered by the Commission.

1. Has Columbia experienced any load loss to alternate fuel in spite of this tariff?

2. Has Columbia ever served a new customer under this tariff?

3. Does an applicant for SIAS have to be a current Columbia customer?

4. To whom is this service not available?

5. Why has customer participation been extended past 12 months without limitation?

6. How long does Columbia foresee needing to extend the SIAS expiration date?

7. What is the estimated value of the load retained since May 1986 because of this tariff?

8. What market conditions will permit Columbia to impose a higher than 5 cent agency fee?

9. How will a higher than 5 cent agency fee be arrived at?

10. Has Columbia experienced significant problems with bypass of its system by existing customers?

11. How are brokerage customers' transportation charges determined?

12. In the Commission's Order of May 2, 1986, Columbia was directed to file monthly reports detailing customers participating in SIAS, volumes nominated, price per Mcf and per mmbtu, agency

fees billed and related transportation revenues and prices. Columbia's reports have often been incomplete and inconsistent in reporting required details. Columbia should, therefore, provide these details for each month it has offered the SIAS tariff.

13. For each month SIAS has been offered, provide actual volumes delivered.

14. Does Columbia's rate for nominated volumes include cost of transportation into Columbia's system? If not, who pays these charges and how are they charged?

15. How does Columbia determine Tier 1 and Tier 2 prices?

16. Why was SIAS pricing split into 2 tiers in February 1987?

17. How will bypassing customers fit into Columbia's present tier pricing structure?

18. What is the total volume of gas per month that Ashland Oil Corporation has purchased under Columbia's industrial, interruptible or any other tariff since January 1986?

19. In Columbia's June 26, 1986, report to the Commission on the activity of the SIAS tariff, Ashland Oil nominated 25,000 dth at a price of $2.15 per dth in lieu of another supply of natural gas at a price of $2.14 per dth. Who was the source of this supply?

Done at Frankfort, this 17th day of June, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Heman Jr.
For the Commission

ATTEST:

Executive Director