

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF ASHLAND) CASE NO.
EXPLORATION, INC.) 91-396

O R D E R

On October 31, 1991, the Commission issued an Order establishing this proceeding to investigate a proposed rate increase by Ashland Exploration, Inc. ("Ashland") and to require Ashland to present evidence at a hearing scheduled December 4, 1991 that its proposed actions were fair, just, and reasonable and in compliance with Commission rules and regulations. Subsequently, on November 8, 1991, the Commission received a letter from Ashland requesting that the hearing be postponed and additional time be granted to allow Ashland to file certain information required in the Commission's Order. Attached to Ashland's letter was a copy of an October 31, 1991 letter which Ashland has sent out to all affected customers stating that the announced rate increase set for November 1, 1991 had been deferred until April 1, 1992. Ashland is of the opinion that its October 31, 1991 letter addresses certain requirements in paragraphs 1, 2, and 3 of the Commission's October 31, 1991 Order.

The Commission notes that Ashland's October 31, 1991 letter had been mailed to its customers prior to Ashland's receipt of the Commission's Order issued that same day; and, further, that

Ashland has expressed to Commission Staff a desire to meet and discuss with Staff prior to April 1, 1992 the need and support for the proposed rate increase. Due to Ashland's action to postpone the rate increase to April 1, 1992 and Ashland's October 31, 1991 notification to its customers, the Commission finds that Ashland has complied with paragraphs 1, 2, and 3 of the Commission's October 31, 1991 Order. In addition, while paragraph 3 also required Ashland to notify all customers of the commencement of this investigation, the Commission concludes that this requirement has been satisfied due to the degree and amount of publicity that has been generated regarding the proposed increase subsequent to the Commission's Order; the effect of which has been that a representative number of affected customers or their representatives are aware that this investigation has been established.

With regard to Ashland's request that the December 4, 1991 hearing be postponed and additional time be granted to file information required in the Commission's October 31, 1991 Order, the Commission finds that Ashland should be granted additional time to compile and submit the information required. However, the Commission does not believe that an informal conference in lieu of a hearing would serve any substantial purpose with regard to the issues presented herein.

IT IS THEREFORE ORDERED that:

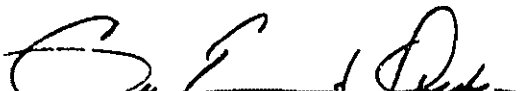
1. Ashland shall appear at a hearing to be held January 21, 1992 at 1:30 p.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to present evidence that its proposed rate increase on April 1, 1992

is fair, just, and reasonable and in compliance with Commission rules and regulations.

2. Ashland shall file the information required in paragraph 4 of the Commission's October 31, 1991 Order no later than January 14, 1991, including evidence that its proposed actions are in compliance with the Commission's rules and regulations.

Done at Frankfort, Kentucky, this 22nd day of November, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director