COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE CARBIDE/GRAPHITE GROUP, INC., ET AL. COMPLAINANTS VS. WESTERN KENTUCKY GAS COMPANY DEFENDANT

ORDER

In February 1994, the Commission received letters from six transportation customers served by Western Kentucky Gas Company ("Western"). The letters alleged that Western denied access to its distribution facilities for transporting customer-owned gas. The Complainants are The Carbide/Graphite Group, Inc.; Universal Fasteners, Inc.; American Greetings; Signet Systems, Inc. ("Signet Systems"); International Paper; Western Kentucky Hospital Services, Inc.; and Logan's.

On March 31, 1994, the Commission required Western to satisfy or answer the complaints. On April 11, 1994, Commission received Western's answer to the complaints. Western asserts that all Complainants, except one, are ineligible under its tariff for the transportation services requested. However, Signet Systems does meet the tariff eligibility requirement according to Western, and

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therefore, Western requests that this complaint be dismissed as satisfied.

The Complainants alleged that Western's practice of denying transportation services based on eligibility requirements is unreasonable and that Western has, in past years, not followed the tariff eligibility requirements in supplying transportation services to the Complainants. Western responded that Complainants do not meet the eligibility requirements of its tariff and that while it inadvertently permitted transportation in the past to these Complainants though they did not meet the eligibility requirement, the past practice should not be carried forward in the future.

Pursuant to KRS 278.260, the Commission has jurisdiction over the complaints herein because the Complainants are arguing that the practice of denying "open access" to gas transportation is unreasonable, insufficient, and unjustly discriminatory and that open access transportation services are inadequate and cannot be obtained. Accordingly, the Commission finds that a <u>prima</u> <u>facie</u> case has been established by the Complainants.

The Commission, having reviewed the complaints, the answer thereto, and having been otherwise sufficiently advised, HEREBY ORDERS that:

1. An informal conference is scheduled for July 26, 1994 at 10:00 a.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for

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the purpose of further investigation and attempting to resolve these matters.

2. Western shall file copies of its correspondence with Signet Systems informing that Complainant that the complaint was satisfied and that open access transmission services are now being supplied to Signet Systems.

3. Should the informal conference not result in satisfactory resolution to these matters, the Commission will thereafter schedule a formal public hearing.

Done at Frankfort, Kentucky, this 21st day of June 1994.

PUBLIC SERVICE COMMISSION

K Brea Hurth

ATTEST:

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Executive Director