

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

B & H GAS COMPANY, INC.)	
)	
COMPLAINANT)	
)	
VS.)	CASE NO. 94-425
)	
COLUMBIA GAS OF KENTUCKY, INC.)	
)	
DEFENDANT)	

O R D E R

On November 4, 1994, B & H Gas Company, Inc. ("B & H") filed a complaint naming Columbia Gas of Kentucky, Inc. ("Columbia") as defendant. B & H alleged that Columbia had initiated service to two of its customers, causing it economic hardship. B & H asked that Columbia be ordered to stop serving its customers and to either compensate B & H for the loss of the customers or terminate service to the customers.

In its answer of December 12, 1994, Columbia stated that B & H had not stated a claim for which relief could be granted and that it had failed to allege any action by Columbia which is contrary to statute, orders or regulations of the Commission. Columbia further stated that it acted in accordance with Commission regulations and its own tariff. Columbia asked that the complaint be dismissed with prejudice.

On December 27, 1994, B & H filed further information concerning Columbia's initiation of service to three other

customers of B & H prior to that of the customers involved in the original complaint.

KRS 278.260(2) provides that any complaint may be dismissed by the Commission without a hearing if a hearing is not necessary, in the public interest or for the protection of substantial rights. After a review of the complaint, the answer, and being otherwise sufficiently advised, the Commission finds that the complaint should be dismissed. The Commission does not establish service territories for natural gas utilities and Columbia has violated no statute or regulation in providing service to these customers. In fact, Columbia has initiated service to these applicants pursuant to its filed tariff and rules of the Commission.

Although B & H claims that it could lose other customers if Columbia's actions remain unchecked, this argument is not persuasive. A customer who has used 7 Mcf of gas (B & H's approximate monthly sales per customer) would have a higher bill based on Columbia's current rates than he or she would based on B & H's current rates. A bill comparison would vary depending on gas costs of the two utilities, but there appears to be no merit to B & H's argument that it will experience a significant loss of customers based on rate competition with Columbia.

At least three of the "customers" at issue here had been disconnected by B & H for nonpayment of bills. The fact that these customers have been able to obtain service from Columbia will not affect B & H's right to seek legal redress for payment.

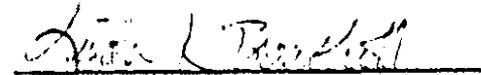
IT IS THEREFORE ORDERED that, pursuant to KRS 278.260(2), the complaint be and hereby is dismissed with prejudice.

Done at Frankfort, Kentucky, this 3rd day of February, 1995.

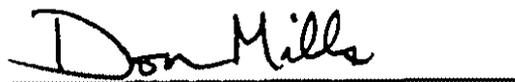
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director