

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT GAS COST) CASE NO. 96-079
INCENTIVE RATE MECHANISMS)

O R D E R

On May 31, 1996, Kentucky Industrial Utility Customers ("KIUC") filed a motion requesting full intervention in the above-referenced case; and, by motion filed June 5, 1996 requested the procedural schedule in this case be amended to allow it an additional 30 days within which to conduct discovery and present a witness to testify on the issues presented in this case.

In support of its requested intervention, KIUC represents that its members are located in the service area of Columbia Gas of Kentucky, Inc. ("Columbia") and take large amounts of gas under various Columbia rates and tariffs. KIUC is concerned about the effect this proceeding will have upon its members in terms of gas cost and availability, and capacity costs and availability.

In support of its request to amend the procedural schedule, KIUC represents that it only learned of the filing on May 29, 1996 and after a cursory review of the filing, finds that a host of issues are presented in which its members have an interest.

On June 5, 1996, Columbia filed its response to the motions of KIUC objecting to both motions. With respect to KIUC's motion to intervene, Columbia asserts that KIUC's customers have no special interest in this proceeding since KIUC's members are

typically transportation customers of Columbia and the proposals before the Commission in this case are to share revenues between sales customers and Columbia. Thus, transportation customers would not be affected by Columbia's proposals.

Columbia objects to amending the procedural schedule arguing that this proposal, in one form or another, has been before the Commission for approximately 10 months.¹ Discovery has essentially been concluded in this proceeding and the notice of the June 12, 1996 hearing has been published by Columbia. Columbia claims it would be extremely prejudicial to it to delay this proceeding any further.

After consideration of the motions and Columbia's response, the Commission finds that KIUC's motion for full intervention should be granted. However, KIUC should be entitled to the full rights of a party in this proceeding accepting the record as it now stands. KIUC's motion to amend the procedural schedule should not be granted as to do so would virtually ensure this proceeding could not be concluded by the Commission before the five month suspension period runs. KIUC will be permitted to present a witness at the hearing on June 12, 1996 provided prefiled testimony for that witness is provided to the Commission and the other parties to this case no later than close of business Monday, June 10, 1996.


¹ Columbia originally filed its targeted gas cost incentive proposal on July 28, 1995 and Case No. 95-353, The Tariff Filing of Columbia Gas of Kentucky, Inc. To Implement a Capacity Release Revenue Sharing Mechanism and an Off-System Sales Revenue Sharing Mechanism, as established to consider those proposals. That request for approval was voluntarily withdrawn by Columbia and the proposals were revised and refiled by Columbia on March 1, 1996 in the instant case. KIUC did not request intervention in Case No. 95-353.

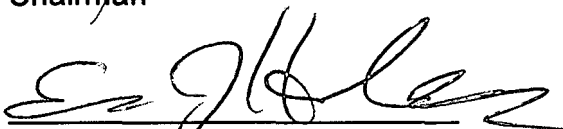
IT IS THEREFORE ORDERED that:

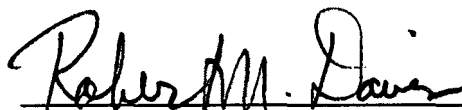
1. KIUC's motion for full intervention in this proceeding is granted.
2. KIUC's motion to amend the procedural schedule is denied; KIUC's motion in the alternative to be permitted to present a witness at the hearing is granted.
3. KIUC shall be entitled to the full rights of a party to this proceeding from the date of this Order forward. KIUC shall be served with all Orders, pleadings and other documents submitted by the parties after the date of this Order.
4. KIUC, if it desires to present a witness at the hearing in this matter, shall prefile its witness's testimony and serve copies upon the Commission and the parties to this proceeding no later than close of business Monday, June 10, 1996.

Done at Frankfort, Kentucky, this 6th day of June, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director