

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ESTABLISHMENT OF A COLLABORATIVE)
FORUM TO DISCUSS ISSUES RELATED TO) ADMINISTRATIVE
NATURAL GAS UNBUNDLING AND THE) CASE NO. 367
INTRODUCTION OF COMPETITION TO THE)
RESIDENTIAL NATURAL GAS MARKET)

O R D E R

On September 26, 1997, the Commission entered an Order initiating this proceeding and establishing a Collaborative Forum ("Collaborative"). Included in that Order was an Appendix listing proposed dates and times for three Collaborative meetings and five meetings for the general public. The schedule, which is attached as Appendix A to this Order, has been amended to indicate a change in the date for the second Collaborative meeting, to clarify the time for each Collaborative meeting, and to provide the exact locations for each general public meeting. Also included herein are Guidelines, which explain the manner in which the Collaborative meetings will be conducted, and the agendas for each Collaborative meeting (attached as Appendices B and C, respectively). In addition, as points of clarification, the Commission wishes to provide the following information.

1. The purpose of this proceeding is informational, in the sense that the Commission will not issue a decision. As stated in its September 26, 1997 Order, upon receipt of the Collaborative's Report, this proceeding will be closed.

2. The Commission's desire is to establish a Collaborative membership representing a balance of the interests involved, which the Commission identifies, generally, as residential, utility and marketer. The Commission is of the opinion that in order for an open discussion of the issues to occur, but in a structured and efficient manner, it is necessary to limit the number of participants invited as members of the Collaborative. Attached as Appendix D to this Order is the Collaborative's membership.

3. The Collaborative's meetings are open and other interested parties are encouraged to attend the discussions. Some interaction between the Collaborative and audience is anticipated. Parties who wish to file comments in this proceeding should request formal intervention, pursuant to 807 KAR 5:001, Section 3(8), and are encouraged to do so. Attendance at the meetings, and the ability to intervene and file information into the formal record, should accommodate the desires of those individuals or groups who are otherwise unable to participate as a member of the Collaborative.

IT IS THEREFORE ORDERED that:

1. The meeting schedules for the Collaborative and general public shall take place as indicated in Appendix A to this Order.

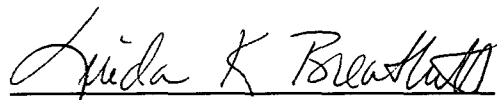
2. The Collaborative guidelines shall be adopted as described in Appendix B to this Order.


3. The agenda for each Collaborative meeting shall include the issues as presented in Appendix C to this Order.

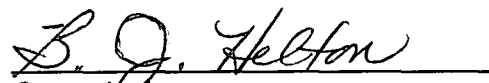
4. The initial membership of the Collaborative shall be those individuals as identified in Appendix D to this Order. The individuals listed in Appendix D shall be made parties to this proceeding.

Done at Frankfort, Kentucky, this 9th day of October, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 367 DATED October 9, 1997.

AMENDED PROCEDURAL SCHEDULE

Collaborative Meeting	Frankfort	October 16, 1997	10:00 a.m. EDT
Commission's Offices, Hearing Room 2			
General Public Meeting	Owensboro	October 22, 1997	7:00 p.m. CDT
Owensboro Community College, Campus Center			
General Public Meeting	Louisville	October 28, 1997	7:00 p.m. EST
Executive Inn West, Edinborough Room			
Collaborative Meeting	Frankfort	November 6, 1997	10:00 a.m. EST
Commission's Offices, Hearing Room 2			
General Public Meeting	Covington	November 13, 1997	7:00 p.m. EST
Kenton County Fiscal Court Building			
General Public Meeting	Ashland	November 19, 1997	7:00 p.m. EST
Ashland Community College, Teleconference Room			
Collaborative Meeting	Frankfort	December 4, 1997	10:00 a.m. EST
Commisson's Offices, Hearing Room 2			
General Public Meeting	Lexington	December 10, 1997	7:00 p.m. EST
Lexington Community College, Oswald Building Auditorium			

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 367 DATED October 9, 1997.

COLLABORATIVE MEETINGS

GUIDELINES

GOAL: The goal of the Collaborative is to identify areas of agreement or consensus on issues presented for discussion relating to natural gas unbundling and residential customer choice of supplier. Through the Collaborative the Commission also hopes to assure that proposed legislation for the 1998 Regular Session of the Kentucky General Assembly regarding natural gas unbundling meets the public's interests and reflects the varied interests and concerns of all parties affected.

PURPOSE: The purposes of the Collaborative are: 1) **in the context of proposed legislation**, to provide a forum in which the issues related to natural gas unbundling and residential customer choice of supplier can be discussed by all parties; and 2) to identify potential agreement or consensus concerning issues which can affect the scope and nature of the legislation under discussion.

1. Collaborative meetings are scheduled for: October 16; November 4; and December 4, 1997. Each meeting will be held in Hearing Room 2 of the Commission's offices in Frankfort, Kentucky. A Commission staffperson will take minutes of each meeting, which will be submitted as the main record for each meeting. (Prior to being placed in the main case file, the minutes will be distributed to each Collaborative member for review.) The minutes will identify issues on which agreement was reached, and issues which lack agreement or consensus.

2. In addition to the Collaborative members, additional representatives of each utility, marketer, or residential group may attend. Commission Staff who work on natural gas issues will also be present and participate in the discussion as appropriate. Interaction between the Collaborative and other audience members may occur as specific issues are discussed, but such comments or questions should be specific and appropriate. The principal focus of the Collaborative discussions is to provide a forum for the members themselves to discuss the issues with, and ask questions to, Collaborative members.

3. Representatives from the Kentucky Revenue Cabinet, the Education Cabinet, and Department for Social Insurance have been invited to attend as Ex-Officio members of the Collaborative and observe the meetings.

4. Each meeting is scheduled for 10:00 - 1:00 local time. A working lunch is planned, which will be provided by the Commission for Collaborative members. As the Collaborative wishes, additional time is available for continued discussion beyond the scheduled time period.

5. The Commission will establish an agenda for each meeting which identifies the issues to be addressed. Additional issues may also be brought up during the course of each meeting. Ralph Dennis, Staff Assistant to the Commissioners, will coordinate the activities of the Collaborative and facilitate the meetings.

6. Prior to the first meeting, Staff will prepare a notebook for each Collaborative member with information related to the issues to be discussed including: a copy of Commission Staff's July 11, 1997 Report, titled Natural Gas Unbundling in Kentucky: Exploring the Next Step Toward Customer Choice; the Commission's initial Order establishing Administrative Case No. 367; and a glossary of definitions relating to gas unbundling and residential customer choice of suppliers.

7. Individuals who formally intervene in Administrative Case No. 367 may file comments or briefs into the record related to the issues discussed during the Collaborative's discussions.

8. The Collaborative shall submit a Report to the Commission no later than January 15, 1998. The Report should include a summary of the issues discussed, and indicate areas of consensus.

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 367 DATED October 9, 1997.

ISSUES FOR DISCUSSION

AT EACH COLLABORATIVE MEETING

First Meeting, October 16, 1997 - Residential issues

1. Reliability and safety - operation and maintenance of distribution and transmission pipelines; customer service lines, meters, etc.
2. Customer service - response to service (trouble) calls; meter reading; and disconnections
3. Billing
4. Supplier of last resort
5. Universal service/participation by low-income customers; social programs
6. Customer aggregation
7. Price of gas; potential savings
8. Education; access to reliable, objective and comparable information

Second Meeting, November 4, 1997 - Utility issues

9. Legislation
10. Obligation to serve
11. Eligibility/qualification of suppliers
12. Participation of LDC-marketing affiliates
13. Stranded costs/capacity assignment
14. Nominations/balancing of deliveries
15. Education of customers and employees
16. Taxes

Third Meeting, December 4, 1997 - Marketer issues

17. Access to delivery points
18. Access to customer information
19. Taxes
20. Guidelines/requirements for participation as supplier
21. Aggregation/pooling of deliveries for customers
22. Representation of information; extent of monitoring

APPENDIX D

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN ADMINISTRATIVE CASE NO. 367 DATED October 9, 1997.

GAS COLLABORATIVE MEMBERSHIP

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