

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY     )  
FILING OF SIGMA GAS CORPORATION     )     CASE NO. 98-244-B

O R D E R

On March 1, 1999, Sigma Gas Corporation ( Sigma ) filed an application with the Commission to adjust its rates pursuant to its Gas Cost Adjustment clause.

The Commission finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed rates and that such proceedings cannot be completed prior to the proposed effective date.

IT IS THEREFORE ORDERED that:

1. The proposed rates are hereby suspended for 5 months from April 1, 1999 up to and including August 31, 1999.
2. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.
3. Within 20 days of the date of this Order, Sigma shall file with the Commission the following information:
  - a. An explanation of the fixed price of \$2.90 from Alliance Energy Services ( Alliance ) to Sigma. Has Sigma entered into a new contract with Alliance? If so, why? Explain why this pricing arrangement is beneficial to Sigma s customers in

light of the fact that an LDC under common ownership with Sigma, Auxier Road Gas Company, is buying from Alliance at a more favorable rate.

b. A copy of any new contract arrangements with Alliance.

c. An explanation of the price to Equitable Resources Energy Company ( ERI ), which is set out in Sigma s filing as being 20 cents higher than the calculated rate of \$3.12 per Mcf. If any contractual arrangements with ERI have changed, provide a copy of the new arrangements.

Done at Frankfort, Kentucky, this 31<sup>st</sup> day of March, 1999.

By the Commission

ATTEST:

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Executive Director