

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KEITH A. WILLIAMS	)	
	)	
COMPLAINANT	)	
	)	
v.	)	CASE NO. 98-620
	)	
COLUMBIA GAS OF KENTUCKY, INC.	)	
	)	
DEFENDANT	)	

O R D E R

On November 30, 1998, Keith A. Williams filed a formal complaint against Columbia Gas of Kentucky, Inc. ( Columbia Gas ). Mr. Williams states that the \$65.00 reconnect charge for gas service is unethical and unfairly burdens customers, particularly low and fixed income persons, who require service on a seasonal rather than year-round basis. He claims that the charge, which recovers eight months of minimum charges, should be eliminated and that customers should be allowed to disconnect for seasonal use without having to pay for reconnection. Mr. Williams requests that the Commission revoke Columbia Gas s authority to charge the \$65.00 reconnect fee.

Pursuant to the Commission s December 3, 1998 Order to satisfy or answer the complaint, Columbia Gas filed an answer on December 14, 1998. The Answer states that Columbia Gas charges reconnection fees in accordance with its Commission-approved tariff. According to the Answer, Sheet 70 of Columbia Gas s tariff authorizes a \$65.00 reconnection fee for residential customers who have had their service discontinued upon request and who then seek reconnection of service at the same

address within eight months of the voluntary disconnection. The Answer maintains that the reconnection charge is designed to recover the year-round costs of making gas service available to Columbia Gas customers as well as to discourage seasonal disconnections and reconnections of service. Columbia Gas asserts that the seasonal disconnections and reconnections result in both labor and administrative costs to Columbia Gas. The reconnection charge is assessed so that Columbia [Gas], and other customers, are not unfairly subsidizing the costs associated with disconnecting and reconnecting service for seasonal use customers.<sup>1</sup>

As noted by Columbia Gas, the reconnection charge as well as the policy of discouraging seasonal disconnection and reconnection was approved by the Commission as part of Columbia Gas's most recent rate case, Case No. 94-179, and the Commission's Order dated November 1, 1994. The Order approved a settlement agreement reached by the parties on September 22, 1994.<sup>2</sup> The Order states in pertinent part,

An increase in the fee charged for reconnecting seasonal disconnect customers was accepted by the parties as proposed by Columbia [Gas]. The fee, which is to increase from \$24 to \$65 for residential [customers] is approximately 8 times the minimum bill and is intended to discourage seasonal disconnections. Columbia [Gas] should, as a matter of policy, inform customers requesting disconnection of service, of the amount of the reconnection charge in order to take full advantage of the potential disincentive.<sup>3</sup>

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<sup>1</sup> Answer at page 2, paragraph D.

<sup>2</sup> The parties to the agreement were Columbia Gas; the Attorney General of Kentucky through the Utility and Rate Intervention Division; Lexington-Fayette Urban County Government; Franklin and Berneice Howard, represented by the Office of Kentucky Legal Services, Inc. and the Appalachian Research and Defense Fund, Inc.; the Kentucky Industrial Utility Customers; and Commonwealth Energy Services, Inc.

<sup>3</sup> Notice of Adjustment of the Rates of Columbia Gas of Kentucky, Inc. On and After July 1, 1994, Case No. 94-179 (November 1, 1994), pages 3-4.

In accordance with KRS 278.030(1) every utility has the right to demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person. Moreover, KRS 278.160(2) states:

No utility shall charge, demand, collect or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

Finding that the reconnect fee for seasonal gas is fair, just and reasonable and that it prevents other Columbia Gas customers from subsidizing the cost of service to seasonal gas customers, the Commission concludes that Columbia Gas shall continue to charge the reconnection fee prescribed by its approved tariff. The Commission further finds that Mr. Williams interests were adequately represented during the course of the Columbia Gas rate case in 1994 by the Attorney General's Utility and Rate Intervention Division.

Based upon the pleadings of record, Columbia Gas's approved tariff, and the November 1, 1994 Order of the Commission approving of the rate and its underlying policy, the Commission HEREBY ORDERS that:

1. Columbia Gas is entitled to charge the complainant, Mr. Williams, its approved tariff charge of \$65.00 for reconnection of gas service at the same address within eight months of the complainant's voluntary disconnection.
2. The formal complaint filed by Mr. Williams on November 30, 1998 is dismissed.

Done in Frankfort, Kentucky, this 14<sup>th</sup> day of January, 1999.

By the Commission

ATTEST:

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Executive Director