

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS	)	
OF KENTUCKY, INC. TO IMPLEMENT A	)	
SMALL VOLUME GAS TRANSPORTATION	)	
SERVICE, TO CONTINUE ITS GAS COST	)	CASE NO. 99-165
INCENTIVE MECHANISMS, AND TO	)	
CONTINUE ITS CUSTOMER ASSISTANCE	)	
PROGRAM	)	

O R D E R

In its application filed April 22, 1999, Columbia Gas of Kentucky, Inc. ( Columbia ) requests to continue its gas cost incentive mechanisms and its customer assistance program for the term it has proposed for the small volume gas transportation program. That program, as proposed, would have a 5-year term beginning November 1, 1999 and running through October 31, 2004. By Order dated May 28, 1999, the Commission suspended the proposed rates and tariffs for the small volume gas transportation program for 5 months up to and including March 31, 2000.

Columbia requests that the gas cost incentive mechanisms presently in place, that are scheduled to expire July 31, 1999, be continued to the proposed effective date of the small volume gas transportation program. It proposes new, slightly modified tariffs for the gas cost incentive mechanisms, with an effective date of August 1, 1999, to continue the gas cost incentives through the proposed term of the small volume gas transportation program. Columbia also requests that its customer assistance program,

scheduled to expire October 31, 1999, be extended for the term of the small volume gas transportation program and proposes new tariffs for that program with an effective date of November 1, 1999.

The proposal to continue the customer assistance program in its present form up to the effective date of the small volume gas transportation program can be dealt with fairly easily since both programs have the same proposed effective date of November 1, 1999. Therefore, the proposed customer assistance program tariff will be suspended for 5 months while allowing the existing program to remain in effect pending a final decision in this proceeding.

The gas cost incentive mechanisms, however, do cause some concern because of the August 1, 1999 effective date for the new tariff. A 5-month suspension of that tariff would extend only to December 31, 1999, and while the discrepancy in suspension dates would most likely not cause a problem, there is always a possibility that the time to process this case could go beyond the December 31, 1999 date. If that were to occur, the Commission would have no recourse to extend the suspension period beyond the original 5 months.

The situation can be addressed by allowing the existing tariff to remain in effect pending the Commission's final decision in this proceeding, while rejecting the new tariff with its proposed effective date of August 1, 1999. In this manner, the existing tariff will not terminate July 31, 1999, but will continue in its present form until the conclusion of this case.

IT IS THEREFORE ORDERED that:

1. The existing tariff Sheet Nos. 50 and 50a, which are scheduled to expire July 31, 1999, shall not expire on that date but shall remain in effect until the conclusion of this case.
2. The proposed tariff Sheet Nos. 50 and 50a, with an effective date of August 1, 1999, are rejected.
3. The existing tariff Sheet No. 51b, which is schedule to expire October 31, 1999, shall not expire on that date but shall remain in effect until the conclusion of this case.
4. The proposed tariff Sheet No. 51b, with an effective date of November 1, 1999, is hereby suspended for 5 months up to and including March 31, 2000.
5. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period established herein.

Done at Frankfort, Kentucky, this 27<sup>th</sup> day of July, 1999.

By the Commission

ATTEST:

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Executive Director