COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA NATURAL)RESOURCES, INC. TO DETERMINE WHETHER)NATURAL GAS PRODUCED FROM SPECIFIED)WELLS QUALIFIES FOR AN INCOME TAX CREDIT)UNDER SECTION 29 OF THE FEDERAL INCOME)TAX CODE)

CASE NO. 2001-180

<u>O R D E R</u>

On September 5, 2001, an Initial Determination was issued by the Commission in these proceedings, which inadvertently failed to append a copy of a notice directed by the determination to be published.

This Commission being otherwise sufficiently advised, IT IS ORDERED,

nunc pro tunc, that the notice appended to this Order is incorporated into and

made a part of the Initial Determination as if originally attached thereto.

Done at Frankfort, Kentucky, this 6th day of September, 2001.

By the Commission

ATTEST:

Executive Dire

APPENDIX TO INITIAL DETERMINATION OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2001-180 DATED SEPTEMBER 5, 2001

NOTICE OF INITIAL DETERMINATION

The Public Service Commission, an agency of the Commonwealth of Kentucky, in accordance with 807 KAR 5:031, has caused the review of the applications for each of the following wells, identified by their permit numbers, to determine whether they qualify for one or more of the classifications set forth in Section 107 of the Natural Gas Policy Act ("NGPA"). Based upon the review, the Commission has made an initial determination that the natural gas produced from the following wells owned or operated by Columbia Natural Resources, Inc. qualify for one or more of the classifications:

Floyd County: 16-071-80844, 16-071-81211, 16-071-81046, 16-071-80702, 16-071-81754, 16-071-80726, 16-071-80671, 16-071-83391, 16-071-81332, 16-071-81494, 16-071-80651, 16-071-81330.

Martin County: 16-159-78883, 16-159-80293, 16-159-79001, 16-159-79636, 16-159-79002, 16-159-78880, 16-159-78939, 16-159-75008, 16-159-80530, 16-159-80404, 16-159-81074, 16-159-81026, 16-159-79990, 16-159-79004, 16-159-78881, 16-159-79637, 16-159-78904,16-159-78581, 16-159-79579, 16-159-74985, 16-159-74982, 16-159-79630,16-159-74981, 16-159-74984, 16-159-79779, 16-159-79611, 16-159-78505,16-159-78543, 16-159-80445, 16-159-78504, 16-159-78586, 16-159-78585,16-159-79520, 16-159-79519, 16-159-79107, 16-159-78502, 16-159-78583,16-159-78870, 16-159-79522, 16-159-78642, 16-159-79631, 16-159-79200,16-159-79199, 16-159-79197, 16-159-78507, 16-159-79652, 16-159-79651.

Pike County: 16-195-79752, 16-195-80798, 16-195-79546, 16-195-79580, 16-195-81835, 16-195-81604, 16-195-76865, 16-195-76864, 16-195-81435, 16-195-81331, 16-195-80786, 16-195-80785, 16-195-80784, 16-195-78587, 16-195-78506, 16-195-81405, 16-195-81534, 16-195-78542.

Because their applications contained insufficient information, the Commission was unable to determine whether the natural gas produced from the following wells, owned or operated by Columbia Natural Resources, Inc., identified by their permit numbers, qualify for any of the classifications:

Martin County: 16-159-79632, 16-159-79633, 16-159-79634, 16-159-76735, 16-159-76734, 16-159-78863, 16-159-79518.

Within 10 working days of this notice, any interested person may request a hearing on the initial determination for any application. The hearing shall be requested by written notification specifically stating the grounds for the request

and delivered to the undersigned at the address below. Upon receipt of a request, the commission shall schedule a public hearing pursuant to 807 KAR 5:001, Section 4.

After the time for requesting a hearing has expired, the Commission shall issue a final order affirming or reversing the initial determination. If a hearing is requested, the final order shall be made on the basis of evidence presented at the hearing. Within 15 days from the final order, the order, together with the entire record upon which it was made, shall be sent to the Federal Energy Regulatory Commission.

Notwithstanding the foregoing, the Commission may, at any time prior to issuing the final order, reevaluate any application or initial determination if the Commission discovers additional pertinent information beyond the scope of the original application.

Thomas Dorman, Executive Director Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, KY 40602