

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA NATURAL)	
RESOURCES, INC. TO DETERMINE WHETHER)	CASE NO.
NATURAL GAS PRODUCED FROM SPECIFIED)	2001-180
WELLS QUALIFIES FOR AN INCOME TAX CREDIT)	
UNDER SECTION 29 OF THE FEDERAL INCOME)	
TAX CODE)	

O R D E R

On September 5, 2001, the Commission issued its Initial Determination of 84 verified well category applications submitted by Columbia Natural Resources, Inc. to determine whether natural gas from each well qualified as high cost gas as defined in Section 107 of the Natural Gas Policy Act ("NGPA") (gas produced from coal seams, Devonian shale, or tight formation areas). The purpose for categorizing each well is to determine whether the applicant is eligible for an income tax credit under Section 29 of the Internal Revenue Code. After causing the review of the data submitted by the applicant in support of each application, the Commission determined that natural gas produced from 77 of the wells qualifies as high cost gas. The Commission was unable to make a determination on the remaining well applications because the information submitted with each was insufficient.

Notice of the Initial Determination was published on September 20, 2001, in the Louisville Courier-Journal, a newspaper of statewide circulation. More than 10 working days have elapsed since the publication and no person has requested a hearing on any application or on the Initial Determination.

The Commission, being otherwise sufficiently advised, HEREBY ORDERS that:

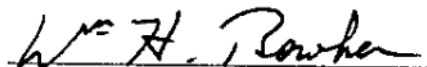
1. The Initial Determination issued on September 5, 2001 is adopted by the Commission as its final Order and incorporated by reference, the same as if fully set out herein.

2. No later than 15 days from this Order, an attested copy of this Order shall be forwarded to the Federal Energy Regulatory Commission at its offices in Washington, D.C. together with the entire record upon which it was made.

Done at Frankfort, Kentucky, this 11th day of October, 2001.

By the Commission

ATTEST:


Deputy Executive Director