

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

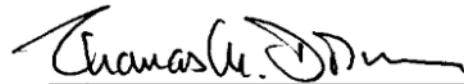
THE APPLICATION OF COLUMBIA)
GAS OF KENTUCKY, INC. TO REVISE) CASE NO. 2001-199
ITS GAS COST ADJUSTMENT TARIFFS)

COMMISSION STAFF'S NOTICE OF INFORMAL CONFERENCE

Commission Staff has scheduled an informal conference on July 30, 2001 at 1:30 p.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky. The following issues will be discussed at the conference:

1. KRS 278.160 codifies the filed rate doctrine. It requires a utility to file with the Commission "schedules showing all rates and conditions of service established by it and collected and enforced" and states that "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." Columbia Gas of Kentucky, Inc. ("Columbia") asserts that it has undercollected by approximately \$19 million for the period from July 1, 2000 to June 30, 2001. The tariff which was filed by Columbia in accordance with KRS 278.160 and which was in effect for the period July 1, 2000 to June 30, 2001 does not include a provision that the gas cost adjustment ("GCA") applies to CHOICEsm customers. How would authorizing a change in Columbia's GCA mechanism allowing it to collect a portion of its current undercollections from CHOICEsm customers not be retroactive rate-making in violation of the filed rate doctrine?

2. As stated previously, the filed rate tariff for the CHOICEsm customers does not include a provision that they are subject to the GCA. Therefore, the CHOICEsm customers are not on notice that their rate may be adjusted or that they have an interest in this proceeding. "Rate" is defined in KRS 278.010 as "any individual or joint fare, toll, charge, rental, or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement, or privilege in any way relating to such fare, toll, charge, rental, or other compensation, and any schedule or tariff or part of a schedule or tariff thereof." Since Columbia is proposing a change in "rate" and since Commission regulations require notice when a change in rate is proposed, is notice required in this proceeding?



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

DATED 7/27/2001

cc: All Parties