COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE TARIFF APPLICATION OF COLUMBIA   )
GAS OF KENTUCKY, INC., TO ESTABLISH   )   CASE NO. 8835
A VARIABLE PRICING TARIFF   )

O R D E R

On November 1, 1983, the Commission approved Rate Schedule AFDS-2 for Columbia Gas of Kentucky, Inc., ("Columbia") to be effective on an experimental basis for a 1-year period. This tariff establishes a variable rate determination method and rules and regulations for variable pricing of natural gas delivered to customers who have the installed capability of using No. 2 fuel oil as an alternative fuel.

On October 1, 1984, Columbia petitioned the Commission to allow this rate schedule to remain in effect beyond the current October 31, 1984, expiration date. To date, the AFDS-2 Rate Schedule has not been used due to the tariff rates remaining below the equivalent price of No. 2 fuel oil. Columbia contends that the need to continue to be able to respond to possible No. 2 oil competition still exists; therefore, the AFDS-2 Rate Schedule should remain effective.

After reviewing the record in this case and being advised the Commission is of the opinion and finds that:

1. The expiration date for Columbia's variable pricing tariff should be extended for 1 year effective November 1, 1984, through October 31, 1985, on an experimental basis.
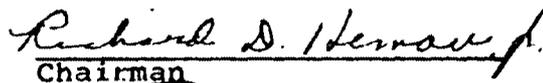
2. Columbia should continue filing monthly reports with the Commission including all data required by the Commission's Order of November 1, 1983.
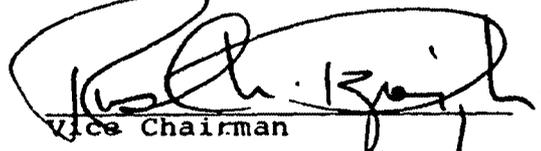
IT IS THEREFORE ORDERED that the expiration date for Columbia's variable pricing tariff be extended on an experimental basis through October 31, 1985.

IT IS FURTHER ORDERED that Columbia's monthly filing under this tariff shall include all information as found reasonable in the Commission's Order of November 1, 1983.

Done at Frankfort, Kentucky, this 17th day of October, 1984.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary