

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE)	
REASONABLENESS OF THE RATES)	CASE NO.
OF PAN BOWL PRODUCTION)	9206
COMPANY TO PUBLIC GAS COMPANY)	

ORDER INSTITUTING INVESTIGATION

Pursuant to KRS 278.274, the Commission hereby institutes an investigation into the justness and reasonableness of the rate Public Gas Company ("Public") pays to its natural gas supplier, Pan Bowl Production Company ("Pan Bowl"). According to PSC records, Pan Bowl owns a controlling interest in Public, and therefore, Public and Pan Bowl should be considered affiliated companies as defined in KRS 278.274(3)(a).

According to its most recent PGA filings, Pan Bowl is apparently charging Public the maximum lawful price as established by the Natural Gas Policy Act of 1978 ("NGPA"). However, a provision of the NGPA allows jurisdictional state agencies (such as this Commission) to establish wellhead prices below the maximum lawful price. Accordingly, the Commission may, after its investigation into this matter, conclude that the just and reasonable rate to be charged by Pan Bowl to Public is less than the maximum lawful price determined under the NGPA.

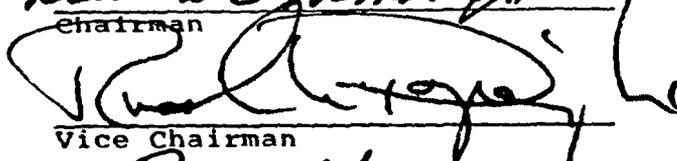
THE COMMISSION HEREBY ORDERS that the following procedural schedule is established for this case:

January 7, 1985	PSC Staff to file direct testimony.
February 11, 1985	Pan Bowl/Public to file any rebuttal testimony.
February 27, 1985	Hearing.
March 15, 1985	Briefs filed (if requested).
April 4, 1985	Final Order issued.

Done at Frankfort, Kentucky, this 31st day of October, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary