

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF RICHARDSVILLE GAS) CASE NO.
COMPANY, INC. TO ABANDON FACILITY) 2013-00234
PURSUANT TO KRS 278.021, SECTION 2(B))

ORDER

On June 19, 2013 Richardsville Gas Company, Inc. (“Richardsville Gas”) tendered a letter to the Commission requesting approval to abandon its utility facilities. It asserted that it was losing money and could not afford to continue operating. On July 15, 2013, the Commission initiated the instant action to investigate and adjudicate Richardsville Gas’s request. Richardsville Gas responded to two requests for information and participated in an informal conference.

On February 27, 2014, Richardsville Gas moved to postpone the formal hearing in this matter previously scheduled for March 4, 2014. It based its motion upon a then-pending application seeking to increase its rates. On March 4, 2014, the Commission indefinitely postponed the hearing and ordered this matter be held in abeyance pending resolution of the rate application and ordered Richardsville Gas to provide a status update within 30 days of a final Order in the rate case.

Richardsville Gas filed an application for an adjustment of rates pursuant to the alternative rate filing process on February 28, 2014.¹ The application was accepted as

¹ Case No. 2014-00066, *Application of Richardsville Gas Company, Inc. for an Adjustment of Rates on an Emergency Basis under 807 KAR 5:076, the Commission's Alternative Rate Filing Procedure, and for a Rate Surcharge and for Nonrecurring Charges* (Ky. PSC filed Mar. 12, 2014).

filed as of March 12, 2014. The Commission issued an Order on April 1, 2014, adjusting Richardsville Gas's rates and establishing certain nonrecurring charges.

Thereafter, on June 4, 2014, the Commission ordered Richardsville Gas to provide a status update as to whether it still desired to proceed with the requested abandonment of its utility facilities. On June 11, 2014, Richardsville Gas submitted a letter wherein it requested to "resend" the request to abandonment its facilities. To confirm Richardsville Gas's intent to rescind rather than resend its request to abandon, the Commission sent a letter requesting confirmation and clarification on August 7, 2014. While Richardsville Gas did not tender a written response to the August 7, 2014 letter, in a telephone call, which was memorialized in a September 12, 2014 intra-agency memorandum, Richardsville Gas verbally confirmed to Commission Staff that its June 11, 2014 letter was intended to rescind and withdraw its abandonment application.² Accordingly, the Commission interprets Richardsville Gas's June 11, 2014 letter as requesting to rescind the abandonment request. In its June 2014 letter, Richardsville Gas noted that it will attempt to bring its system back into compliance with Commission regulations and to secure an alternative gas supply. It asserted that it believes these efforts will make the utility more attractive to a potential purchaser.

The Commission finds that Richardsville Gas's letter should be treated as a motion to dismiss and an indication of its willingness to continue operating its facilities subsequent to the recent rate increase in Case No. 2014-00066. Improvements to the infrastructure and financial condition of the utility will make it more attractive to potential buyers, increase the possibility of a sale and promote the continued operation of the

² Letter from Jeff Derouen, Executive Director, Kentucky Public Service Commission to Joan Miller, Richardsville Gas (Sept. 12, 2014).

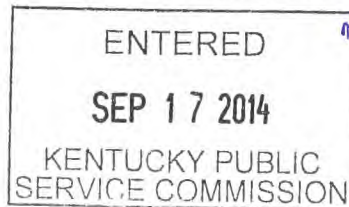
system. Accordingly, the Commission finds that Richardsville Gas has demonstrated good cause to voluntarily withdraw its application to abandon its facilities.

IT IS THEREFORE ORDERED that:

1. The motion of Richardsville Gas to dismiss the request to abandon its facilities is granted.

2. This matter is dismissed without prejudice.

By the Commission



ATTEST:


Executive Director

Mr. Glenn Miller
President
Richardsville Gas Company, Inc.
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P. O. Box 9675
Bowling Green, KY 42102