

COMMONWEALTH OF KENTUCKY

BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

THE JOINT APPLICATION OF PAN BOWL GAS)
COMPANY, A CORPORATION, ORGANIZED AND)
EXISTING UNDER THE LAWS OF THE COMMON-)
WEALTH OF KENTUCKY, AND BEING A REGU-)
LATED UTILITY WITH A CERTIFICATE OF)
CONVENIENCE AND NECESSITY GRANTED BY)
THE PUBLIC SERVICE COMMISSION OF KENTUCKY,)
AND PANBOWL NATURAL GAS COMPANY, A COR-)
PORATION ORGANIZED AND EXISTING UNDER THE)
LAWS OF THE COMMONWEALTH OF KENTUCKY, HEREBY)
REQUESTS THAT THE ENERGY REGULATORY COMMIS-)
SION OF KENTUCKY APPROVE THE SALE OF THE)
ASSETS OF PAN BOWL GAS COMPANY TO PANBOWL)
NATURAL GAS COMPANY, AND (1) GRANT PANBOWL)
NATURAL GAS COMPANY A CERTIFICATE OF CON-)
VENIENCE AND NECESSITY; (2) APPROVE CAPI-)
TALIZATION AS SET OUT IN THE AGREEMENT;)
(3) ALLOW PANBOWL NATURAL GAS COMPANY TO)
HAVE THE SAME RATES AS PREVIOUSLY APPROVED)
TO PAN BOWL GAS COMPANY BY THE PUBLIC)
SERVICE COMMISSION OF KENTUCKY; AND (4))
PERMIT PAN BOWL GAS COMPANY TO RELINQUISH)
ITS PRESENTLY EXISTING CERTIFICATE OF CON-)
VENIENCE AND NECESSITY.)

Case No. 7422

O R D E R

On April 6, 1979, Pan Bowl Gas Company and Panbowl Natural Gas Company filed a joint application seeking authorization for Panbowl Natural Gas Company to purchase and assume and Pan Bowl Gas Company to sell and assign all assets, including but not limited to the system facilities and properties owned by Pan Bowl Gas Company which are used in serving gas customers in and outside the City of Jackson, Breathitt County, Kentucky, and the environs thereof.

After examining the application and exhibits filed by the Applicant, the Commission determined that an original cost study was necessary to determine the depreciated original cost of plant in service. Upon the completion of said study, the matter was set for hearing on the 3rd day of December, 1979, in the Commission's offices in Frankfort, Kentucky. At this time, the Applicant amended its application to request that Panbowl Natural Gas Company, the purchasing company, be allowed to change its name to Public Gas Company, a limited partnership and accepted the value stated in the Commission's original cost study, \$191,681.75, as the depreciated original cost of plant in service as of July 1, 1979.

The Commission, after consideration of the application and all evidence of record and being fully advised, is of the opinion and FINDS:

1. That Pan Bowl Gas Company and Panbowl Natural Gas Company on April 2, 1979, entered into a contract whereby Panbowl Natural Gas Company agreed to buy the assets of Pan Bowl Gas Company which are useful and used in and necessary and incidental to the provision of gas services to the area served by Pan Bowl Gas Company.

2. That the proposed purchase and sale of the gas distribution system facilities by Pan Bowl Gas Company to Public Gas Company (Panbowl Natural Gas Company) is in the public interest and should be approved.

IT IS THEREFORE ORDERED, that Pan Bowl Gas Company be and it hereby is authorized to sell its gas distribution facilities and properties situated in and about the City of Jackson, Breathitt County, Kentucky, and the environs thereof, to Public Gas Company (Panbowl Natural Gas Company).

IT IS FURTHER ORDERED, that the value stated in the Commission's original cost study be considered as the depreciated original cost of Public Gas Company's plant in service as of July 1, 1979.

IT IS FURTHER ORDERED, that Public Gas Company file with this Commission within 30 days the appropriate journal entries reflecting this transaction.

IT IS FURTHER ORDERED, that Public Gas Company shall adopt the rates previously approved by the Commission for Pan Bowl Gas Company.

Nothing contained herein shall be deemed a warranty on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this the 31st day of March, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary