

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ENERGY REGULATORY COMMISSION)
(Now PUBLIC SERVICE COMMISSION))
vs.)
THE B & H GAS COMPANY, INC.)
CASE NO. 7129

AMENDED ORDER

On October 11, 1979, an Order was issued by this Commission directing the B & H Gas Company, Inc., ("Company"), to make certain improvements to its natural gas distribution system. Included in the Order was a schedule of compliance.

On February 6, 1981, the Commission received a letter from B & H Gas Company, Inc., requesting that it be allowed to deviate from Item Number 3(a) of the compliance schedule set forth in the Commission's Order of October 11, 1979.

This request is based on the following reasons:

(1) The Company is not presently in the financial position to install the necessary equipment to provide for cathodic protection of the system.

(2) The Company is negotiating with Kentucky West Virginia Gas Company to establish a permanent contract to supply additional gas. If this contract is obtained the Company will be eligible to apply for loans to upgrade the complete system.

(3) If funds are made available the Company plans to replace the entire system with plastic pipe.

The Commission being advised is of the opinion and
FINDS:

(1) That the Company's distribution system is mainly in a Class 1 and Class 2 location as defined in Title 49 CFR 192.5.

(2) That it is cost-prohibitive to install adequate cathodic protection on this system at this time.

(3) That the Company is attempting to obtain the funds necessary to rebuild the system using plastic pipe.

(4) That the Company should be granted an extension until January 31, 1982 to comply with Section 3(a) of the compliance schedule set forth in the Commission's Order in this matter dated October 11, 1979, however, this is not to imply that B & H Gas Company, Inc., will receive a blanket extension. Extensive efforts to obtain rebuilding funds and additional allocations of supply must remain a major objective.

IT IS THEREFORE ORDERED that the B & H Gas Company, Inc., be granted an extension until January 31, 1982, to comply with Section 3(a) of the compliance schedule set forth in the Commission's Order dated October 11, 1979.

Done at Frankfort, Kentucky, this 19th day of March, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Cook
Chairman

Katherine Randall
Vice Chairman

Don Sturgeon
Commissioner

ATTEST:

Secretary