

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

ADJUSTMENT OF RATES OF)
MAGOFFIN GAS COMPANY, INC.)
MAGOFFIN COUNTY, KENTUCKY)

CASE NO. 7903

FINAL ORDER

On June 30, 1980, Magoffin Gas Company, Inc., ("Applicant") filed an application with this Commission (formerly the Energy Regulatory Commission) seeking an increase in its rates charged for natural gas service. A portion of the requested increase was contingent upon the Applicant's cost of debt for funds to be obtained for needed construction and the Commission's approval to borrow funds in a related case, Case No. 7896. As the interest rates had not been determined, the Commission, on December 16, 1980, issued an interim rate Order which established that the final Order in this case would consider the allowable debt cost pursuant to Case No. 7896.

On April 29, 1981, Applicant filed its Motion to Continue Case and Waiver of 10 Month Provision stating, among other things, that while Applicant was in the process of making arrangements to begin construction individuals purporting to represent the Royalton ratepayers advised that they would not pay the interim rates authorized by the Commission and would only pay double the existing rates. The Motion further states that during April 1981 only three of the 47 Royalton customers paid the full bill.

Following a review of the records in both the rate case and the financing case, the Commission finds that Applicant has either not completed its financing plans or has not supplemented the evidence with the details of said financing. The Commission further finds that Applicant should pursue appropriate remedies with respect to nonpayment of bills by certain customers and that the Motion to Continue Case and Waiver of 10 Month Provision should be overruled. Therefore, pursuant to the time limitation set out in KRS 278.190(3), the Commission herein establishes and finds that the rates prescribed in Appendix A to its Order of December 16, 1980, in the above-styled case should be the final rates prescribed in this matter.

IT IS THEREFORE ORDERED that the rates prescribed and set forth in Appendix A to the Commission's Order entered December 16, 1980, are hereby fixed as the final rates to be charged by the Applicant.

IT IS FURTHER ORDERED that the Motion of Applicant to Continue Case and Waiver of 10 Month Provision be, and it hereby is, overruled.

Done at Frankfort, Kentucky, this 1st day of May 1981.

PUBLIC SERVICE COMMISSION

Marlin W. Voth
Chairman

ATTEST:

Did not participate
Vice Chairman

Secretary

Jim Harazin
Commissioner