

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

APPLICATION OF THE KENTUCKY OHIO GAS)
CO., A CORPORATION, FOR AN ORDER)
RELIEVING IT FROM THE DUTY TO SERVE) CASE NO. 6694
ANY ADDITIONAL CUSTOMERS PURSUANT)
TO KRS 278.485)

O R D E R

On November 8, 1976, the Commission received the application of the Kentucky Ohio Gas Company ("Kentucky Ohio") requesting relief from the duty of serving additional customers under KRS 278.485. In its application, evidence was presented indicating that Kentucky Ohio is unable to meet peak day demands of its present customers from its production and must take gas from Columbia Gas Transmission to overcome these deficiencies. The application further stated that adding new customers would result in low pressure problems for the entire gathering system and possible loss of total production from various wells due to water flooding the producing formations. This would jeopardize service to all of Kentucky Ohio's customers.

By Order entered November 10, 1976, the Commission, on its own motion, set the matter for public hearing and directed Kentucky Ohio to appear and present evidence. It was further ordered to give published notice of three consecutive weeks in a

newspaper or newspapers of general circulation in the area involved noting the place, date, time and nature of the hearing. In addition, Kentucky Ohio was directed to give notice to each party who has qualified and applied for service pursuant to the provisions of KRS 278.485 and who has not received service.

The hearing was held at the Commission's offices in Frankfort, Kentucky, on December 7, 1976, at 1:30 p.m., Eastern Standard Time. All parties of interest were given proper notification and one affected customer intervened as a result.

Evidence was presented by Kentucky Ohio indicating that its existing supply of gas was insufficient to meet peak day demands and that no appreciable relief could be realized from the projected drilling program. Testimony was also presented to the effect that the residential customers served by Kentucky Ohio are served pursuant to Section 278.485 of the Kentucky Revised Statutes.

The Commission having considered the evidence of record and the information furnished and being advised, is of the opinion and finds that:

1. Applications for gas service being held by Kentucky Ohio Gas Company are within the terms and conditions of Section 278.485 of the Kentucky Revised Statutes.

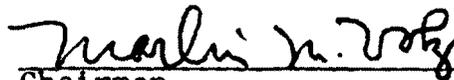
2. On January 26, 1982, Columbia Gas Transmission Corporation received certificate authority from the Federal Energy Regulatory Commission to sell to Kentucky Ohio Gas Company an additional 4,500 dekatherms of natural gas on a yearly basis.

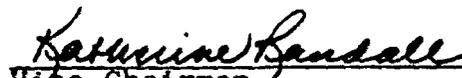
This will allow Kentucky Ohio Gas Company to make sufficient deliveries to its KRS customers during the winter months.

Based upon the above-stated findings, the Commission HEREBY ORDERS that the proceeding initiated by Kentucky Ohio Gas Company before this Commission in 1976 be, and it hereby is, dismissed.

Done at Frankfort, Kentucky this 12th day of July, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary