

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A JOINT APPLICATION OF DANNY )  
PRESTON AND BETTY PRESTON, )  
DAVIS BRANCH ROAD, VAN LEAR, )  
KENTUCKY 41265 AND JUPITER )  
GAS COMPANY, INC., A KENTUCKY )  
CORPORATION WITH ITS PRINCIPAL )  
PLACE OF BUSINESS AT 865 )  
SPARTA COURT, LEXINGTON, ) CASE NO. 8966  
KENTUCKY 40504 FOR THE SALE )  
AND PURCHASE OF ALL ISSUED AND )  
OUTSTANDING SHARES OF JOHNSON )  
COUNTY GAS COMPANY, INC., A )  
KENTUCKY CORPORATION WITH ITS )  
PRINCIPAL PLACE OF BUSINESS )  
LOCATED IN VAN LEAR, JOHNSON )  
COUNTY, KENTUCKY 41265 )

O R D E R

IT IS ORDERED that Johnson County Gas Company, Inc., ("Johnson County") and Jupiter Gas Company Inc., ("Jupiter") shall file an original and eight copies of the following information with the Commission by February 17, 1984:

Filing deficiencies to be corrected by both Jupiter and Johnson County, in accordance with 807 KAR 5:001, Section 7, are:

A certified copy of each company's articles of incorporation and all amendments thereto.

In accordance with 807 KAR 5:001, Section 7, paragraph (1), the following information shall be filed by the designated company.

1. Jupiter shall provide specific information about the natural gas reserves which it is purchasing. The information shall include but not be limited to:
  - a. the names of the wells being purchased, their location, drilling dates, drilling permits, and classification under the Natural Gas Policy Act of 1978;
  - b. documentation of the estimated reserves and anticipated productive life for each well to be purchased (or for the entire field if all wells in the field are to be purchased by Jupiter);
  - c. the estimated daily production by each well to be purchased;
  - d. the status of the purchase including anticipated closing date and the estimated cost; and
  - e. the proposed means of transporting the natural gas to Johnson County's service area including construction specifics, costs anticipated and the time frame in which the transportation arrangements will be completed.
2. Jupiter shall specify all financial arrangements it has made or intends to make in order to comply with the agreement between Columbia Gas of

Kentucky and Jupiter regarding Johnson County's purchased gas cost arrearages. The terms of this agreement were outlined and agreed to in two letters of November 17 and 29, 1983. The letters are attached as Appendix A to this Order.

3. Jupiter shall specify how it intends to meet the loan and mortgage requirements of Johnson County's November 1980 loan agreement with the Gas System Restoration Project Board for repayment of the \$1,071,374 reconstruction loan. Jupiter shall also specify all financial arrangements necessary to meet the loan payments and the payment of existing arrearages.
4. Jupiter shall specify the person or persons who will be employed to operate the Johnson County system should this Commission approve the sale and shall include the person's or persons' credentials and experience in operating a natural gas distribution system. Jupiter shall be prepared to have that person or those persons testify at the hearing in the above-styled case now set for February 23, 1984, at 10:00 a.m., Eastern Standard Time.
5. Jupiter shall provide a draft Operating and Maintenance Plan and a draft Emergency Plan to be

utilized by the above-named operator should this Commission approve the sale of stock.

6. Jupiter shall provide a summary of all financial data provided it by Johnson County with regard to Johnson County's receipts and expenditures. The summary shall be as detailed as possible. Jupiter shall be prepared to present all financial documents supplied by Johnson County for Jupiter's audit purposes to the Commission upon the Commission's request.
7. Jupiter, as de facto operator of the Johnson County system since the sale/purchase of the stock, shall provide records documenting all Johnson County receipts and expenditures since the date of the stock purchase (October 5, 1983). Jupiter shall include a record of all expenditures from Jupiter accounts as well as those from Johnson County accounts and shall distinguish between the two.
8. Jupiter shall provide the estimated rates to be charged should this Commission approve the sale of stock and the basis for calculating those rates.

IT IS FURTHER ORDERED that in the event the above information is not timely filed, the Commission may dismiss the case without prejudice absent a Motion for Extension of Time for good cause.

Done at Frankfort, Kentucky, this 6th day of February,  
1984.

PUBLIC SERVICE COMMISSION

  
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FOR the Commission

**ATTEST:**

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Secretary