

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ANNVILLE GAS AND TRANSMISSION, INC.)
FOR APPROVAL TO OPERATE A NATURAL) CASE NO. 10480
GAS DISTRIBUTION SYSTEM)

O R D E R

On February 4, 1988, Annvile Gas and Transmission, Inc. ("Annvile"), filed with the Commission for approval to become a jurisdictional natural gas transmission company. The purpose of Annvile is to supply natural gas to Mid-South Electric, the Village of Annvile and the Jackson County Industrial Park.

Natural gas is purchased from TranEx Corporation and transported to prospective customers through a four-inch steel pipeline owned by Annvile.

An inspection of Annvile facilities conducted by the Engineering Division of the Commission concluded that Annvile was operating a distribution utility and should be subject to full regulation by the Commission. Annvile is presently serving Mid-South Electric and Anastasia Greenhouse.

After review of the record and being fully advised, the Commission is of the opinion and finds that:

1. On February 4, 1988, Annvile requested that approval be granted for them to become a sanctioned transmission company for the purpose of supplying gas to Mid-South Electric, the Village of Annvile and the Jackson County Industrial Park. Based upon

investigation and information submitted, the Commission is of the opinion that Annville is selling natural gas to the public for compensation and pursuant to KRS 278.010(3) is subject to full regulation by the Commission.

2. Annville should adhere to the applicable rules and regulations prescribed by the Commission for a gas distribution utility.

3. The tariff filed by Annville on July 29, 1988, should be approved as filed.

4. The contracts between Annville and Anastasia Greenhouses and Annville and Mid-South Electric, Inc., should be approved as filed.

IT IS THEREFORE ORDERED that:

1. Annville is a public utility as defined pursuant to KRS 278.010(3) and is subject to full regulation by this Commission.

2. Annville shall adhere to all applicable rules and regulations for a gas distribution utility as prescribed by this Commission.

3. The tariff filed by Annville on July 29, 1988 is hereby approved to be effective on and after the date of this Order.

4. The contracts filed in this case between Annville and Anastasia Greenhouses and Annville and Mid-South Electrics are hereby approved as filed.

Done at Frankfort, Kentucky, this 1st day of December, 1988.

PUBLIC SERVICE COMMISSION

Chairman

Robert M. Davis

Vice Chairman

Spencer N. Williams, Jr.

Commissioner

ATTEST:

Executive Director