

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF STEPP BRANCH GAS)
COMPANY TO FUND THE INSTALLATION)
AND OPERATION OF A NEW NATURAL)
GAS DISTRIBUTION SYSTEM NEAR STEPP)
BRANCH, KENTUCKY, MARTIN COUNTY;)
TO CONSTRUCT; TO OPERATE; TO)
ESTABLISH RATES; AND TO DISCONTINUE)
SERVICE TO CUSTOMER-OWNED MAINS)

CASE NO. 10371

O R D E R

On September 2, 1988, Stepp Branch Gas Company ("Stepp Branch") made application to the Commission to construct and operate a gas distribution system and establish rates to comply with regulations of the Commission. On November 23, 1988, an Interim Order was issued in this case granting Stepp Branch a Certificate of Public Convenience and Necessity to perform the work described in the application. On May 3, 1989, an Order was issued granting rates and approving certain rules and regulations for Stepp Branch. On June 30, 1989, Stepp Branch filed the tariff sheets which set out the rates, rules, and regulations approved in the Order of May 3, 1989.

After review of the filed tariffs, the Commission has found certain deficiencies which must be corrected at this time. These deficiencies are not due to any fault or error by Stepp Branch; the deficiencies are due to an inadvertent mistake in the Commission's Order dated May 3, 1989.

The rules and regulations section of the tariffs should be amended to reflect the notice of disconnect policy required by the Commission regulations. The language should be in accordance with 807 KAR 5:006, Section 11 (2)(a), which states,

. . .no utility shall discontinue service to any customer for nonpayment of bills (including delayed charges) without first having made a reasonable effort to induce the customer to pay same. The customer shall be given at least ten (10) days' written notice, but the cut-off shall not be effected before twenty-seven (27) days after the mailing date of the original bill. Such termination notice shall be exclusive of and separate from any bill. The termination notice shall include notification to the customer in writing of the existence of local, state and federal programs providing for the payment of utility bills under certain conditions and the offices to contact for such possible assistance.

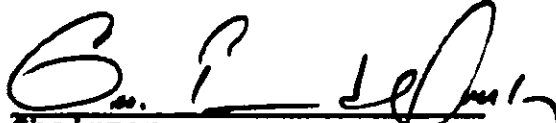
Also, Section (2) of the tariff states: "Bills are due when rendered. Bills not paid within 10 days after mailing shall be subject to a 10 percent penalty on the amount due." 807 KAR 5:006, Section 6 (1), states that the date after which a penalty may apply to the gross amount must be indicated. The tariff should be amended to show that this date is indicated on the customers' bills. In addition, penalties are to be assessed only once on a past due amount and not calculated on any amounts in arrears. The tariff should be amended to include such language concerning penalties.

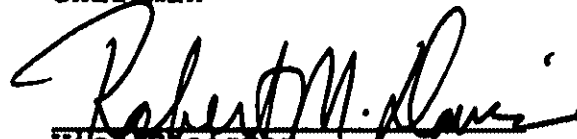
Finally, the tariff sheets should be numbered in the following manner: P.S.C. KY No. 1, Sheet No. 1; P.S.C. KY No. 1, Sheet No. 2, etc. If tariffs are revised in the future, then the numbering would reflect P.S.C. KY No. 2, cancelling P.S.C. KY No. 1.

IT IS THEREFORE ORDERED that within 30 days of the date of this Order, Stepp Branch's tariffs shall be amended as stated herein to be in compliance with the Commission's regulations.

Done at Frankfort, Kentucky, this 8th day of August, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director