

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FAILURE OF SALYERSVILLE GAS COMPANY)	
TO COMPLY WITH COMMISSION REGULATIONS)	
AND TO FURNISH ADEQUATE, EFFICIENT,)	CASE NO. 89-174
AND REASONABLE SERVICE)	

O R D E R

IT IS ORDERED that Salyersville Gas Company ("Salyersville") shall file the original and eight copies of the following information with the Commission with a copy to all parties of record. Include with each response the name of the witness who will be responsible for responding to questions at a public hearing relating to the information provided. The information requested is due no later than 20 days from the date of this Order. If the information cannot be provided by that date, Salyersville should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Provide the most recent information available on the nature and status of sales offers that have been made to Mr. Conley for the Salyersville gas system. This information shall include:

- a. The purchase price for the system.

b. A list of each person or company who has made an offer, the amount of each offer, and the status of the offer (accepted, rejected, or under review).

2. Provide the total amount of gas sold by Salyersville to its customers for each month during the period September 1988 through March 1989.

3. Provide the total amount of gas purchased by Salyersville from each supplier for each month during the period September 1988 through March 1989, separated by supplier.

4. Is Salyersville current with its payments for gas purchased from each of its suppliers? If not, list each supplier who is owed money and the amount of the past-due account.

5. At present are there any disagreements between Salyersville and any of its suppliers regarding the amount of gas purchased from each supplier?

6. What is the status of Salyersville's efforts to install additional meter-reading equipment at each of its purchase points to more accurately measure the amount of gas purchased from each supplier?

7. Regarding the incidents of December 5-6, 1988, December 12, 1988, and February 6, 1989:

a. Why didn't Salyersville notify the Commission of these disruptions in gas service to its customers as required by 807 KAR 5:022, Section 13(16)(a)?

b. Provide a description of the events leading up to each incident which resulted in the disruptions of service.

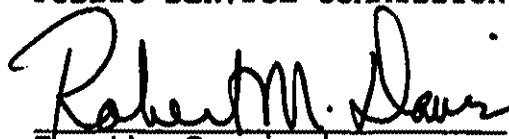
8. Provide copies of any correspondence, or summarize any conversations, between Salyersville and its suppliers of gas requesting additional gas during the period September 1988 to present.

9. Does Salyersville, or Mr. Conley individually, plan to drill any gas wells to the depth of Big Six sand to supplement gas supply to the gas system for the 1989-90 heating season? If so, provide a summary of the planned actions.

10. At present is it Salyersville's belief that adequate gas supplies are present to supply the peak needs of its customers for the 1989-90 heating season? If so, support the answer with substantive information, including numbers and types of wells from each supplier and the maximum daily production from each well.

Done at Frankfort, Kentucky, this 10th day of July, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director