

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF RUSSELL COUNTY)
GAS UTILITY, INC. FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY TO)
CONSTRUCT AND FINANCE A GAS DISTRI-) CASE NO. 89-125
BUTION SYSTEM IN JAMESTOWN AND)
RUSSELL SPRINGS, KENTUCKY, AND FOR)
APPROVAL OF GAS RATES)

O R D E R

On November 21, 1989, the Commission issued an Order approving, among other things, initial rules and regulations for Russell County Gas Utility, Inc. ("Russell County"). On December 21, 1989, Russell County filed the tariff sheets which set out the rules and regulations approved in the Order of November 21, 1989.

After review of the filed tariffs, the Commission has found certain deficiencies which must be corrected. Generally, these deficiencies are not due to any direct fault or error by Russell County; the deficiencies are due to errors and oversights in the Commission's Order. As a result of these errors, certain parts of Russell County's rules and regulations are not in compliance with the Commission's regulations.

The revisions required to bring Russell County's rules and regulations into compliance with the Commission's regulations are set out in the Appendix, attached hereto and incorporated herein.

These revisions will result in language deletions and/or additions to Items 1, 4, 5, 12, and 13 of Russell County's rules and regulations. Along with the additional language in Item 13, the phrase "repeated frequently" must be clarified and made more specific. The amounts of the charges addressed in this section may be filed (with adequate cost support) as Item 13(a) of the tariff.

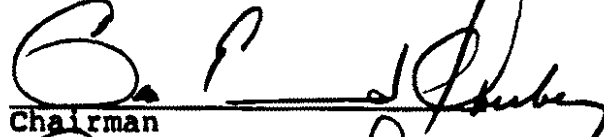
The deficiencies for which Russell County is responsible involve Items 15, 16, and 17 of the proposed rules and regulations. These items were not approved in the Commission's Order and cannot, therefore, have an effective date of November 21, 1989 as reflected in the tariffs. Items 15 and 16, the reconnect charges and bad-check charge, have not been supported with adequate cost justification. These three sections should be filed with an effective date at least 30 days from the date of filing and with sufficient cost support for Items 15 and 16.

IT IS THEREFORE ORDERED that:

1. Russell County's tariff sheets filed on December 21, 1989 are hereby rejected.
2. Within 30 days of the date of this Order, Russell County shall refile its tariffs to reflect the changes set out herein in order to be in compliance with the Commission's regulations.
3. Russell County shall refile its proposed tariffs for reconnect charges, bad-check charges, and a purchased gas adjustment clause in the manner described herein.

Done at Frankfort, Kentucky, this 7th day of February, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-125 DATED February 7, 1990.

The following rules and regulations are prescribed for Russell County Gas Utility, Inc. All other rules, regulations, and rates not specifically mentioned herein shall remain the same as approved in the Commission's Order of November 21, 1989.

1. Expenditures for Plant Additions

Before beginning construction of any project or plant additions, plans will be submitted to the Commission for approval in compliance with 807 KAR 5:001, Section 9.

4. Pipeline Safety Rules

The operations and maintenance procedure manual filed with the Commission will be kept current with applicable laws and Commission regulations.

5. Standard Heating Value of Gas

The heating value of gas supplied to customers shall have a minimum heating value equal to the heating value of the gas furnished by the Company's supplier or suppliers (this generally varies between 1,000 and 1,040 BTU per cubic foot of gas). In no event shall the heating value of gas exceed a BTU content that does not comply with 807 KAR 5:022, Section 16.

12. Discontinuance or Suspension for Non-Payment

Residential and small commercial customers' bills become due within 10 days of issuance and become delinquent if not paid within 30 days of issuance. A service charge of 5 percent will be added if the bill is not paid by the end of the 30 days. At this time, the customer will be notified in writing that service will be discontinued if the bill is not paid within 20 days.

13. Services Provided Free to Customers

The Company will provide, free of charge, to residential and small commercial customers during regular working hours:

- a. burner adjustments on furnaces, water heaters, dryers, and cook stoves;
- b. clean and adjust pilot lights on furnaces, water heaters, dryers, and cook stoves; and
- c. check for gas leaks.

There will be a charge for the above services if required to be done after regular working hours or if repeated frequently for the same customer. Any other type of service work or repair done for the customer will be charged for. All such charges will be specified and tarified.