

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC. REQUESTING THE COMMISSION)	CASE NO.
FOR AN ORDER AUTHORIZING TERMINATION)	91-191
OF SERVICE TO JUSTICEVILLE GAS COMPANY, INC.)	

O R D E R

Justiceville Gas Company ("Justiceville") is a gas distribution utility serving 88 customers and is operated and managed by Case Enterprises, Inc. ("Case Enterprises") in conjunction with a second natural gas distribution utility--Lyda Gas. In its December 18, 1991 Order, the Commission granted Columbia Gas of Kentucky ("Columbia") authority to terminate service to Justiceville as of April 30, 1992. The Commission also required Case Enterprises to provide a notice to its Justiceville customers regarding Columbia's termination of service and the possibility that the Justiceville system would, in turn, have to terminate service to its customers if no additional source of supply could be located.

On April 22, 1992, Columbia notified the Commission that its service to Justiceville Gas would be terminated as scheduled. Commission Staff has continued to try and locate an additional source of gas supply for Justiceville, at times with assistance from Case Enterprises.

During a February 4, 1992 hearing, and subsequently at four informal conferences with Case Enterprises since that hearing, the Commission has been advised that Case Enterprises has been unable

to locate a source of gas supply to replace its previous purchases from Columbia Gas. The principal reasons for such failure are a combination of Case Enterprises' lack of effort and desire, and its past and current credit problems with its historical gas suppliers.

The Commission has been further advised that more recent discussions with the city of Pikeville and Mabry Holbrook regarding the purchase of Justiceville have not been successful. The city of Pikeville is unwilling to assume Justiceville's debt with the Department of Local Government. Mr. Holbrook, owner of R & H Transport Company ("R & H Transport") has stated he is only interested in being paid for gas he has previously supplied to Case Enterprises and, in any event, has not filed an application requesting Commission approval for transfer of Justiceville to him.

Based upon its historical record of gas purchases, the amount of gas Justiceville has purchased from its local producer, R & H Transport, has not been sufficient to meet all of Justiceville's supply requirements during the past winter heating seasons. Therefore, absent an additional source of gas supply, Case Enterprises will not have enough gas for its Justiceville system for the 1992-93 winter heating season.

The Commission acknowledges that the impact of the requirements of this Order stated herein may affect Case Enterprises' ability to maintain its gas supply to Lyda Gas. Therefore, the notice attached hereto as an Appendix should be sent to Case Enterprises and Lyda Gas customers as well.

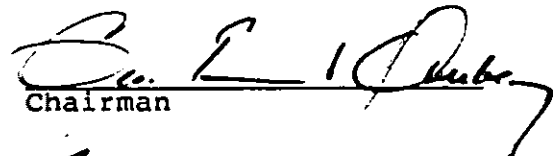
IT IS HEREBY ORDERED that:

1. Case Enterprises shall provide by certified mail a copy of this Order with the notice attached hereto and incorporated herein to each of its Justiceville and Lyda Gas customers no later than October 7, 1992. No later than October 16, 1992, Case Enterprises shall file with the Commission the certified receipts of delivery it has received acknowledging delivery of the Order and notice to each of its customers.

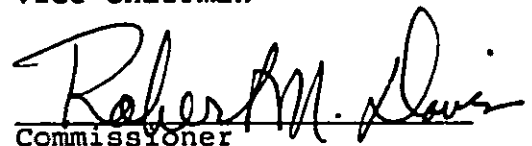
2. Case Enterprises shall cause to be published in a newspaper of general circulation for three consecutive weeks the notice attached hereto and incorporated herein as an appendix. Within 5 days of the date first published, Case Enterprises shall file with the Commission an affidavit and tear sheet from the publisher.

Done at Frankfort, Kentucky, this 1st day of October, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-191 DATED October 1, 1992.

NOTICE TO GAS CUSTOMERS OF CASE ENTERPRISES

Columbia Gas of Kentucky has received approval to terminate Case Enterprises, Inc., d/b/a Justiceville Gas, as a wholesale gas customer due to Case Enterprises' failure to pay for gas purchased from Columbia Gas. Columbia Gas's termination of its gas supply to Case Enterprises occurred April 30, 1992. The loss of Columbia Gas as a supplier to Justiceville Gas means that Case Enterprises will not have sufficient gas supplies to provide all of its customers with their full gas requirements for the 1992-93 heating season.

No other gas supply has been secured by Case Enterprises to replace the gas supply previously purchased from Columbia Gas. Some local production is available which will be insufficient to supply Justiceville Gas customers for the entire heating season. No additional source of gas is available to supply the Justiceville Gas customers. Customers are advised to seek an alternative heating source as soon as practicable.

The termination of gas supply by Columbia Gas directly affects the Justiceville Gas customers. Lyda Gas customers are served by Case Enterprises from a different source of supply. However, the financial impact on Case Enterprises if service to Justiceville Gas is lost could indirectly affect Case Enterprises' ability to maintain its gas supply to Lyda Gas.

If customers have any questions regarding their gas supply, they should contact Ms. Ann Case, president of Case Enterprises, at (606)437-1900, (606)432-8243, or (606)358-4479.