

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GASCO DISTRIBUTION)
SYSTEMS, INC. FOR APPROVAL OF TRANSFER) CASE NO. 97-317
OF GASCO DISTRIBUTION SYSTEMS, INC. STOCK)

O R D E R

On July 15, 1997, Gasco Distribution Systems, Inc. ("Gasco") petitioned the Commission for approval of the transfer of 51 percent of its issued and outstanding stock in accordance with the Second Amended and Restated Buy-Sell Agreement ("Buy-Sell Agreement") filed with its application. Gasco stated in its petition that the transfer will have no effect on the ability of Gasco to manage, operate or finance the operations of its natural gas service in Kentucky. Gasco, further states that the present management will remain in place and that the transfer is in accordance with law, is in the public interest, and is for a proper purpose.

KRS 278.020(4) and (5) provide that no person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the Commission by sale of assets, transfer of stock, or otherwise without prior approval by the Commission. The Commission shall grant its approval if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service and if the transfer is consistent with the public interest. Control shall be presumed to exist if any such individual or entity, directly or indirectly, owns 10 percent or more of the voting securities of the utility.

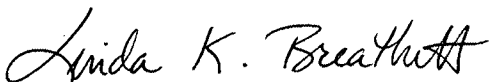
After consideration of the application, other evidence of record, and being otherwise sufficiently advised, the Commission finds that the transfer of 51 percent of Gasco's issued and outstanding stock in accordance with the Buy-Sell Agreement included with Gasco's application is for lawful objects within Delta's corporate purposes and is necessary and consistent with the public interest.


IT IS THEREFORE ORDERED that:

1. The transfer of the Gasco stock pursuant to the Buy-Sell Agreement included with the application is hereby approved.
2. Gasco shall inform the Commission within 60 days of the date of the stock transfer information regarding the price paid for each share of stock with all underlying supporting documentation. The information so filed shall further reflect any percentage changes in ownership that differ from that which was disclosed in the application.

Done at Frankfort, Kentucky, this 5th day of September, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director