

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE RELIABILITY OF THE)
NATURAL GAS SUPPLY FOR STEPP BRANCH GAS) CASE NO. 2000-346
COMPANY AND ALLEGED VIOLATIONS OF KRS)
278.300)

ORDER

On November 1, 2000, the Commission ordered Stepp Branch Gas Company ("Stepp Branch") to cease operations as a natural gas distribution company on or before April 1, 2001. On March 26, 2001, the Commission, at the request of Martin County officials, amended the Order of November 1, 2000 to extend the date for the cessation of Stepp Branch's utility operations to June 1, 2001. Martin County Judge/Executive Lon Lafferty has advised the Commission of renewed efforts to obtain an alternative source of gas and has informed that these efforts are not likely to be completed before June 1, 2001.

Finding that Martin County officials should be afforded additional time to complete their efforts to obtain an alternative source of gas for Stepp Branch, the Commission, on its own motion, HEREBY ORDERS that:

1. Ordering paragraph 6 of the Order of November 1, 2000 Order is amended to read as follows:

6. Stepp Branch shall cease operations as a natural gas distribution company on or before July 1, 2001.

2. Ordering paragraph 7 of the Order of November 1, 2000 Order is amended to read as follows:

7. On or before July 1, 2001, Stepp Branch shall certify to the Commission that its operations as a natural gas distribution company have been terminated, pursuant to 807 KAR 5:022, Section 14(15), by performing the following:

a. Service to each customer shall be terminated individually at each customer's meter and said meter shall be removed and the service line sealed.

b. Any connector valve and any pipe located between the source of Stepp Branch existing wells and the main gas line shall be locked and sealed.

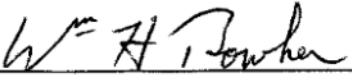
3. On or before June 18, 2001, Stepp Branch shall advise the Commission in writing of the status of its and Martin County's efforts to obtain an alternative supply of gas. Should such efforts prove successful by that date, the Commission will consider further amendments to its Order of November 1, 2000.

4. Within 7 days of the date of this Order, Stepp Branch shall give notice to its customers that the date by which it is to remove its gas meters and seal its service lines and cease operations as a local distribution company has been extended to July 1, 2001.

Done at Frankfort, Kentucky, this 31st day of May, 2001.

By the Commission

ATTEST:

Deputy 
Executive Director