COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| HOLLY CREEK PRODUCTION CORP. |) |
|--------------------------------------|-----------------------|
| COMPLAINANT |) |
| V. |) CASE NO. 2003-00012 |
| JEFFERSON GAS TRANSMISSION CO., INC. |) |
| DEFENDANT |) |

<u>ORDER</u>

On May 16, 2003, a formal hearing was commenced in this case. After hearing testimony from several witnesses, the hearing officer adjourned the hearing and directed the parties to conduct negotiations toward a possible settlement of the case. Both parties entered into negotiations. Holly Creek Production Corp. (Holly Creek) has now filed a motion to resume the hearing based upon the belief that the negotiations are not moving forward to a settlement.

The hearing officer adjourned the hearing upon the belief that the parties, given time, could resolve the issues and agree to a settlement. The Commission encourages settlements between parties and still believes that it is possible in this case. Accordingly, the Commission will schedule an informal conference for the purposes of settlement negotiations between the parties and with the Commission Staff for June 24, 2003.

At the settlement conference both parties must be represented by, or have available by telephone, persons empowered to settle the case. If a settlement cannot be reached at the conference, a date certain will be set for resumption of the hearing.

The Commission, on its own motion, HEREBY ORDERS that:

1. An informal conference is scheduled with Holly Creek and Jefferson Gas Transmission Co., Inc. for June 24, 2003 at 9:30 a.m., Eastern Daylight Time, in Conference Room 1 at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

2. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 4th day of June, 2003.

By the Commission

ATTEST:

Executive Director

Case No. 2003-00012