

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO THE OPERATING STATUS ) CASE NO.  
OF RICHARDSVILLE GAS COMPANY, INC. ) 2015-00099

ORDER

On April 10, 2015, the Commission opened this case to determine the operating status of Richardsville Gas Company, Inc. ("Richardsville"). The Order was predicated upon Richardsville's notification to the Commission that during times of cold weather its gas wells are unable to supply adequate pressure so as to maintain service throughout its system.<sup>1</sup> Richardsville further noted that it has been unable to procure an alternative source of gas and that its propane peak shaving plant is no longer operational or repairable.<sup>2</sup> Richardsville stated that it is not financially feasible to purchase a new propane shaving plant.<sup>3</sup>

In response to the Commission's initial inquiry prior to commencing this action, Richardsville stated that "[i]t is not our intent to abandon the facility at the present however if enough of the customers, and I do not know what that number is at present, totally convert to an alternative source of fuel it will become an economic necessity."<sup>4</sup>

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<sup>1</sup> April 10, 2015 Order, Appendix A and C.

<sup>2</sup> *Id.*, Appendix A.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*, Appendix C.

In 2012, Richardsville was serving 48 customers.<sup>5</sup> The customer count has since dwindled to 25.<sup>6</sup> Richardsville alleges that it has unsuccessfully attempted to procure alternative natural gas supplies and that it does not have the \$10,000 necessary to replace the peak shaving plant.<sup>7</sup> Finally, Richardsville stated that it has exhausted all possible avenues of selling the utility.<sup>8</sup>

All regulated utilities are required to “furnish adequate, efficient and reasonable service.”<sup>9</sup> The Commission’s regulations require gas distribution utilities to maintain adequate operating pressure. 807 KAR 5:022, Section 13(13)(b), states:

(b) No person shall operate a low-pressure distribution system at a pressure lower than the minimum pressure at which the safe and continuing operation of any connected and properly adjusted low-pressure gas burning equipment can be assured.

Utilities are further required to maintain a standard operating pressure and report any service interruptions.<sup>10</sup> Richardsville has indicated that it can only speculate when customers lose service.<sup>11</sup>

Based upon the record, it appears that Richardsville is unwilling or unable to maintain its facilities so as to provide safe and adequate service in accordance with

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<sup>5</sup> *Annual Report of Richardsville Gas Company, Inc. for the calendar year ended December 31, 2012* at 27.

<sup>6</sup> Richardsville Response to Commission Staff’s Initial Request for Information, Item 1.

<sup>7</sup> *Id.*, Items 7 and 15.

<sup>8</sup> *Id.*, Item 11.

<sup>9</sup> KRS 278.030(2).

<sup>10</sup> 807 KAR 5:022, Sections 13(14) and 13(16).

<sup>11</sup> Richardsville Response to Commission Staff’s Initial Request for Information, Item 12.

Commission regulations.<sup>12</sup> It therefore appears that Richardsville intends to effectively abandon its natural gas distribution system. Accordingly, in consideration of Richardsville's admission that it cannot maintain adequate pressure, the Commission finds that Richardsville should show cause why its system should not be declared abandoned. The Commission further finds that a hearing should be held in this matter at a date to be determined for the purpose of examining this issue.

Finally, the Commission finds that Richardsville is organized as a corporation under the laws of the Commonwealth of Kentucky.<sup>13</sup> On information and belief, neither Glenn Miller, Richardsville's president, nor Joan Miller, Richardsville's vice president, are attorneys licensed to practice law in the Commonwealth of Kentucky. Accordingly, at the hearing, Richardsville must be represented before the Commission by counsel licensed to practice in the Commonwealth of Kentucky if it plans to present a defense to the allegation that its system is abandoned.<sup>14</sup>

IT IS THEREFORE ORDERED that:

1. Richardsville shall submit to the Commission, within ten days of the date of this Order, a written response to the above allegation as to whether the system should be declared abandoned.

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<sup>12</sup> KRS 278.030(2); 807 KAR 5:022, Section 13(13).

<sup>13</sup> Kentucky Secretary of State Online Database, available at [https://app.sos.ky.gov/ftshow/\(S\(htq03n5340kiw4p421v1gwk3\)\)/default.aspx?path=ftsearch&id=0080327&ct=09&cs=99999](https://app.sos.ky.gov/ftshow/(S(htq03n5340kiw4p421v1gwk3))/default.aspx?path=ftsearch&id=0080327&ct=09&cs=99999).

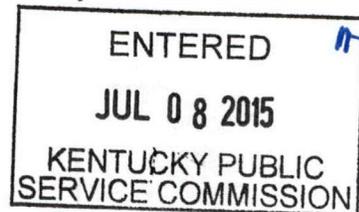
<sup>14</sup> See *Kentucky State Bar Association v. Henry Vogt Machine Co.*, Ky., 416 S.W.2d 727 (1967); Kentucky Bar Association Unauthorized Practice of Law Opinion KBA U-34 (July 1981); and Administrative Case No. 249, *Practice Before the Commission by Attorneys Non-Licensed in the Commonwealth of Kentucky* (Ky. PSC June 15, 1981).

2. A formal hearing shall be held on Tuesday, July 21, 2015, beginning at 10:00 a.m. Eastern Daylight Time, in hearing room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of hearing evidence in this case.

3. At the hearing in this matter, Richardsville shall be represented by an attorney licensed to practice law in the Commonwealth of Kentucky if it plans to present a defense.

4. Richardsville shall serve notice of the hearing's date and time to its customers no later than July 17, 2015. Richardsville shall provide a copy of the notice to the Commission on or before the date of the hearing. In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov."

By the Commission



ATTEST:

  
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Executive Director

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