

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

JOHNSON COUNTY GAS CO., INC.)
VAN LEAR, KENTUCKY)

CASE NO.
8235

O R D E R

On May 27, 1983, Columbia Gas of Kentucky, Inc., ("Columbia Gas"), by counsel, filed its Motion for Authority to Terminate Gas Service to the Johnson County Gas Company for Non-Payment. Among other things, the Motion states that representatives from Columbia Gas, the Department of Local Government and Johnson County Gas Company ("Johnson County Gas") met on May 23, 1983, attempted to negotiate mutually acceptable payment arrangements but were unable to agree upon an arrangement acceptable to Johnson County Gas and its creditors. Accordingly, the Motion requests authority to terminate service pursuant to 807 KAR 5:006, Section 11(a) and further requests that the Commission waive the notice requirement of the regulation and authorize Columbia Gas to terminate service immediately.

The Motion came before the Commission at the continuation of the formal conference held May 27, 1983, for the purpose of considering the financial condition of Johnson County Gas, its indebtedness to Columbia Gas and its efforts and progress in obtaining another source of supply. Counsel for Columbia Gas stated that, while immediate termination of service was preferable, Columbia Gas was not opposed to an arrangement which would

allow Johnson County Gas additional time in which to seek another source of supply provided Johnson County Gas would prepay its bills. Counsel for Johnson County Gas indicated that Johnson County Gas would be willing to abide by a satisfactory prepayment agreement.

The Commission, having considered the comments of interested parties and being advised, HEREBY ORDERS that the Motion of Columbia Gas be and it hereby is overruled.

IT IS FURTHER ORDERED that Johnson County Gas shall make a prepayment for the months of June, July, and August, 1983, to the Lexington, Kentucky office of Columbia Gas to the attention of Mr. Robert Ames, the prepayment to be made on or before the fifth day of each month and to be based on estimated usage furnished by Columbia Gas by the end of each preceding month.

IT IS FURTHER ORDERED that in the event payment is not made in accordance with the above ordering paragraph, Columbia Gas shall be authorized, upon five days written notice to the Department of Local Government and the Commission, to terminate service to Johnson County Gas.

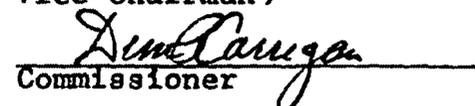
IT IS FURTHER ORDERED that Johnson County Gas shall obtain a source of gas supply other than Columbia Gas within 90 days and shall advise the Commission in writing no later than August 31, 1983.

Done at Frankfort, Kentucky, this 10th day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary