

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PAIGE GAS COMPANY)
FOR AUTHORITY TO ABANDON SERVICE) CASE NO. 8857

ORDER

On May 31, 1983, the Commission received a letter from Mr. James E. Paige, Post Office Box 8, Price, Kentucky 41654, requesting approval for the abandonment of natural gas service to 11 residential customers being served by lines supplied from a gas well on Mr. Paige's property.

A hearing on the proposed abandonment was held on July 13, 1983, at the Commission's offices in Frankfort, Kentucky. Various customers, spokespersons for customers and State Senator Benny Ray Bailey testified that the price of natural gas was too high, and that most of them could not afford to convert to other energy sources and needed to remain as natural gas customers served with gas from the well on Mr. Paige's property. Mr. Paige did not attend this first hearing, and a second hearing was scheduled.

Another hearing was held on July 27, 1983, before the Commission. In 1981, Mr. Paige acquired his present store and residence property which included one producing natural gas well with an owner's entitlement to 150,000 cubic feet of gas per year.

This free gas entitlement was the determining factor in his purchase of the property. He was aware of the gas service furnished to his neighbors via lines connected to the well. However, he was not aware of the statutes which give jurisdiction over the sale of natural gas to the public to the Public Service Commission with its attendant safety regulations.

Mr. Paige notified all of the present customers of his intentions to discontinue service to them and has made repeated efforts to obtain both a dependable gas source and/or a reliable operator for the system. Mr. Paige also testified as to the availability of bottled gas and the ease of conversion of natural gas appliances to bottled gas. No testimony was given at either hearing as to any effort by the customers to form an association in order to take over the system from Mr. Paige and continue service on a master meter basis.

The PSC's staff had previously investigated and inspected the Paige gas system. They found that the system was being operated in violation of numerous PSC safety regulations. A copy of the PSC report dated April 11, 1983, was entered into the record of this proceeding at the July 27 hearing. Mr. Paige testified that it would cost approximately \$10,000 to repair the system so as to bring it into compliance with PSC regulations and that there was no way he could finance this construction on his own.

Based upon the above-recited evidence of record and being advised, the Commission is of the opinion and finds that:

1. James E. Paige has neither the capability nor the interest to repair, maintain and operate a natural gas distribution system.

2. The gas piping facilities of the Paige system are severely deteriorated, will not provide adequate or safe transportation of natural gas to the present customers without extensive renovation and should be abandoned.

3. There is no cooperative self-help association of the customers organized to assume the responsibility for continued service through the Paige system.

4. Liquified petroleum (bottled) gas is available in the Price area, and natural gas appliances can readily be converted to the use of bottled gas.

IT IS THEREFORE ORDERED that Paige Gas Company's request for abandonment of natural gas service to its 11 residential customers in the Price, Kentucky, area be and it hereby is approved effective October 1, 1983.

IT IS FURTHER ORDERED that within 10 days of receipt of this Order, Mr. James E. Paige shall notify each customer on his system that natural gas service will be terminated on October 1, 1983, and that they should begin to make immediate arrangements for the installation of alternate fuel. Mr. Paige shall provide a copy of this Order to each of the 11 customers.

IT IS FURTHER ORDERED that Mr. James E. Paige shall, within 20 days from the date of this Order, certify to the Commission in writing that he has provided each customer a copy of this Order

and notified them that on October 1, 1983, the natural gas service will be terminated.

Done at Frankfort, Kentucky, this 18th day of August, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary