

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

MOUNTAIN UTILITIES, INC.)
DELINQUENT PURCHASED GAS)
ACCOUNT WITH KENTUCKY WEST) CASE NO. 9407
VIRGINIA GAS COMPANY)

SHOW CAUSE ORDER

On August 20, 1985, the Commission received a copy of a letter sent by Kentucky West Virginia Gas Company ("Kentucky West") to Mountain Utilities, Inc, ("Mountain") regarding Mountain's delinquent purchased gas account with Kentucky West. According to the information in the letter the last payment on Mountain's account received by Kentucky West was on June 17, 1985, in the amount of \$20,000, which leaves a balance owed to Kentucky West of \$77,912. This balance owed includes an interest penalty of \$2,138.

Kentucky West's FERC Gas Tariff, First Revised Volume 1, provides that once 30 days have elapsed from the payment due date Kentucky West may suspend any further deliveries of gas until the account is paid. The Commission has been advised that Kentucky West has notified Mountain that on or before September 9, 1985, a definite payment schedule must be arranged with Kentucky West in order to eliminate Mountain's delinquency. Otherwise, Kentucky West will suspend gas deliveries to Mountain and initiate civil action to collect the monies owed to Kentucky West by Mountain.

Due to the impending heating season of 1985-86 and the failure of Mountain to pay its gas bill and/or arrange for

payment to Kentucky West the Commission finds it is necessary for Mountain to explain the reasons for the delinquency to Kentucky West, and what Mountain's intentions are towards resolution of its delinquent account with Kentucky West.

IT IS THEREFORE ORDERED that Mountain shall appear before the Commission on September 5, 1985, at 9:00 a.m., Eastern Daylight Time, in Hearing Room Number 2 of the Commission's offices at Frankfort, Kentucky, for the purpose of presenting evidence related to Mountain's delinquent purchased gas account with Kentucky West, and to demonstrate what actions Mountain intends to initiate to assure adequate gas supplies for its customers during the 1985-86 heating season.

Done at Frankfort, Kentucky, this 22nd day of August, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Hemmelf
Chairman

Richard D. Hemmelf
Vice Chairman

James N. Williams
Commissioner

ATTEST:

Secretary