

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 VIRGINIA GAS COMPANY) CASE NO. 9407

O R D E R

On August 22, 1985, the Commission issued a Show Cause Order to Mountain Utilities, Inc., ("Mountain") for the purpose of presenting evidence related to Mountain's delinquent purchased gas account with Kentucky West Virginia Gas Company ("Kentucky West"), and to demonstrate what actions Mountain intended to initiate to assure adequate gas supplies for its customers during the 1985-86 heating season. This action by the Commission was made necessary as a result of a letter from Kentucky West to Mountain, August 19, 1985, which advised that unless Mountain established a definite payment plan to eliminate its delinquent gas account in the amount of \$77,912 no later than September 9, 1985, Kentucky West would take steps to suspend further gas deliveries to Mountain, and would initiate a civil action to collect the delinquency.

On August 30, 1985, Mountain presented a proposed payment schedule to Kentucky West to eliminate its delinquent gas account. The proposed schedule provides for an immediate \$40,000 payment and would eliminate Mountain's delinquent account

by March 10, 1986, with a final payment of \$8,912. In addition, Mountain agrees to maintain "timely payments for gas purchased from Kentucky West" in the future.

On September 3, 1985, Kentucky West filed a motion with the Commission to cancel the hearing scheduled for September 5, 1985, and to allow this case to be continued through March 10, 1986. Kentucky West stated in its motion that Mountain's proposed payment schedule is acceptable, and Kentucky West would neither suspend future gas deliveries to Mountain nor initiate a civil action for so long as Mountain follows its proposed payment schedule.

Based upon discussions between Commission staff, Mountain and Kentucky West, and the information submitted in this case, the Commission cancelled the Show Cause hearing.

After reviewing the record in this case and being fully advised, the Commission is of the opinion and finds that:

1. Mountain is delinquent in payments for gas purchases from Kentucky West in the amount of \$77,912, which includes interest of \$2,138.
2. Mountain has presented a proposed payment schedule to Kentucky West which would eliminate the delinquent payments by March 10, 1986.
3. Kentucky West has accepted the proposed payment schedule offered by Mountain, and has agreed to not suspend gas deliveries to or initiate civil action against Mountain for so long as the proposed payment schedule is followed.

4. Based upon the information available in this case adequate arrangements have been made between Mountain and Kentucky West to maintain gas supplies to customers of Mountain during the 1985-86 heating season.

5. Since the subject matter of this case is of such importance, and to allow the Commission to keep abreast of managements's action towards resolution of Mountain's delinquent payments to Kentucky West, this case should remain open.

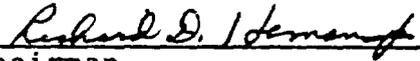
IT IS THEREFORE ORDERED that:

1. Kentucky West's motion be and hereby is accepted with modification, in that this matter is continued generally subject to being scheduled on motion.

2. Mountain shall file with the Commission a copy of each payment sent to Kentucky West set forth in Mountain's payment schedule presented to Kentucky West on August 30, 1985, until all payments have been made and the delinquent account is eliminated.

Done at Frankfort, Kentucky, this 15th day of November, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary