

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST BY WESTERN KENTUCKY GAS COMPANY)
AND THE CITY OF DANVILLE FOR EXEMPTIONS) CASE NO.
FROM SECTION 402 OF THE POWERPLANT AND) 9890
INDUSTRIAL FUEL USE ACT OF 1978)

O R D E R

On March 23, 1987, Western Kentucky Gas Company ("Western") submitted a letter requesting the Commission to issue an Order exempting a historic city park in Danville, Kentucky, from the prohibition of receiving natural gas service, and permitting Western to provide natural gas service to the city for outdoor gas lighting in the park. Section 402 of the Powerplant and Industrial Fuel Use Act of 1978 ("Fuel Use Act") restricts a local distribution company from providing gas service for municipal outdoor lighting fixtures. The Commission also received a letter from the City of Danville requesting that the Commission grant the necessary variance/waiver to allow the city to restore natural gas service for gas lamps in Weisiger Park, a historic park located in downtown Danville.

BACKGROUND

On November 9, 1978, the Fuel Use Act was implemented in which Section 402 prohibits utilities from providing gas service for use in outdoor lighting, except for residential lighting installed prior to that date. (In 1981 the Fuel Use Act was

amended to remove restrictions to residential outdoor gas lighting.) On May 10, 1979, the Economic Regulatory Administration (ERA) of the United States Department of Energy issued a Final Rule (10 CFR Part 516) which delegated to the states the authority for administering prohibitions with regard to gas lighting under Section 402 of the Fuel Use Act. The Final Rule included the authority to issue Orders exempting certain natural gas outdoor lighting fixtures. The basis for such exemptions includes municipal lighting of historical significance and commercial lighting of historical significance.

The records of Western and Danville indicate that gas service was discontinued for Weisiger Park on November 5, 1979. The park is located next to the Boyle County Courthouse in Danville and is scheduled for complete renovation in 1987. The bid for the renovation work has already been awarded. Danville states that nine ornamental gas lamps also need to be renovated in order to be used, and that the gas lamps are an integral part of the historic park's setting.

CONCLUSION

After reviewing the record and being advised, the Commission is of the opinion and hereby finds that:

1. Western and Danville have filed requests for exemptions from Section 402 of the Fuel Use Act which prohibits the use of natural gas for municipal or commercial outdoor gas lighting.

2. ERA has delegated to the states the authority to administer Section 402 of the Fuel Use Act (10 CFR Part 516),

including the authority to issue exemptions for gas outdoor lighting of historical significance.

3. The gas outdoor lighting identified herein directly contributes to the quality of significance of Weisiger Park, a historic site in the City of Danville.

4. The City of Danville should be allowed an exemption from the prohibition in Section 402 of the Fuel Use Act in order to use outdoor gas lighting in Weisiger Park.

5. Western should be granted an exemption from Section 402 of the Fuel Use Act in order to provide gas service to the City of Danville for outdoor gas lighting in Weisiger Park.

IT IS THEREFORE ORDERED that:

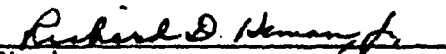
1. The City of Danville be and it hereby is granted an exemption from Section 402 of the Fuel Use Act in order to use outdoor gas lighting in Weisiger Park.

2. Western be and it hereby is granted an exemption from Section 402 of the Fuel Use Act in order to provide gas service, including the setting of any meters or other equipment to effect such service, to the City of Danville for outdoor gas lighting in Weisiger Park.

3. If Western implements any aspect of its gas curtailment program, it shall reapply to the Commission for approval to continue gas service to the City of Danville for outdoor gas lighting in Weisiger Park.

Done at Frankfort, Kentucky, this 31st day of March, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director