

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF OF BTU PIPELINE, INC.)
TO ESTABLISH RATES AND)
CONDITIONS FOR SERVICE) CASE NO. 95-103

O R D E R

BTU Pipeline, Inc., a/k/a BTU Gas Company, Inc., and BTU, Inc. ("BTU") is a gas distribution utility providing natural gas service in Salyersville and Magoffin County, Kentucky. The Commission has presently pending before it several matters related to the operation and maintenance of the BTU system.

On January 22, 1998, a consolidated hearing was held upon all matters before the Commission. At that hearing, evidence was presented concerning the failure of BTU to file a tariff with the Commission.

On April 15, 1992, BTU Pipeline, Inc., as part of its application for "farm tap status," filed a tariff. By Order of April 27, 1994, the Commission rejected the proposed tariff and ordered BTU to file a revised tariff as a gas distribution utility.

On January 17, 1995, BTU filed a proposed tariff as a gas distribution company. The Commission assigned this tariff matter to a separate case as docket Case No. 95-103. Case No. 95-103 was designated The Tariff Filing of BTU Pipeline Inc., and the tariff, as filed, was suspended pending further orders of the Commission. On June 6, 1995, the Commission requested information concerning the tariff to which a response by BTU

Pipeline, Inc. was filed on July 25, 1995. On August 18, 1995, the Commission ordered BTU to file certain information concerning its tariff and to do so in conformity with the Uniform System of Accounts.

On October 25, 1995, BTU Gas Company, Inc. filed a tariff. In filing that tariff BTU did not notify the Commission that BTU Pipeline, Inc. had changed its name, sold, transferred, or in any way conveyed any of BTU Pipeline, Inc.'s assets or operations to another entity. BTU did not file an adoption notice with the Commission as required by 807 KAR 5:011, Section 11(1). During this same time the Commission was notified that BTU Pipeline, Inc., had filed bankruptcy proceedings.

The tariff was approved as filed, with certain exceptions and modifications to which BTU was ordered to respond within 30 days of July 19, 1996. On August 20, 1996, BTU Gas Company, Inc. submitted an amended tariff. Due to the confusion with the names and the bankruptcy proceedings, no further action was taken on this tariff filing.

The evidence taken at the hearing reveals that the assets of the companies involved in supplying gas to numerous customers, and the customers themselves, were passed around in what can best be described as a cavalier manner. There was also no effort to inform the Commission that the name of BTU was being changed or assets were being transferred. The problems with the change of names and apparent transfer of assets will be addressed in further orders of the Commission, but in order for BTU to have a tariff on file, BTU is to file a tariff using the name: BTU Pipeline a/k/a BTU Gas Company, Inc.

The corporate officers and managers of BTU are hereby placed on notice that any transfer of assets or change of name in any manner is subject to prior approval of the Commission and no transfer or name change is permitted or effective unless with the approval of the Commission. KRS 278.020.

BTU should file its tariff containing the following revisions to bring its August 20, 1996 tariff filing into compliance with the Commission's Order of July 19, 1996 (a copy of that tariff filing is attached as an Appendix for BTU's convenience):

1. The sheet bearing the heading SPECIAL CHARGES in the section entitled Interest on Deposits should state whether interest will be refunded or credited to customers' bills; one method or the other should (must) be indicated. The same clarification should be made on the following page in the section entitled Deposits.

2. The sheet bearing the heading SPECIAL CHARGES in the section entitled Reconnection Charge should set out charges in the amount of \$25 which BTU originally stated is the amount of its reconnect charge.

3. BTU should add sections to its tariff in which it adopts a standard heating value for its gas pursuant to 807 KAR 5:022, Section 16(2), and a standard pressure measured at the customer's meter outlet pursuant to 807 KAR 5:022, Section 13(14).

IT IS HEREBY ORDERED that:

1. BTU shall file with Commission within 25 days from the date of this Order a complete tariff using the name BTU Pipeline a/k/a BTU Gas Company, Inc.

2. BTU shall file its modified tariff to contain the following revisions:

(a) The sheet bearing the heading SPECIAL CHARGES in the section entitled Interest on Deposits shall state whether interest will be refunded or credited to customers' bills; one method or the other must be indicated. The same clarification shall be made on the following page in the section entitled Deposits.

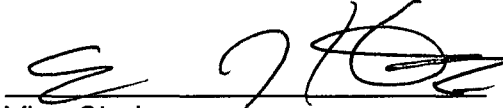
(b) The sheet bearing the heading SPECIAL CHARGES in the section entitled Reconnection Charge shall set out charges in the amount of \$25 which BTU originally stated is the amount of its reconnect charge.

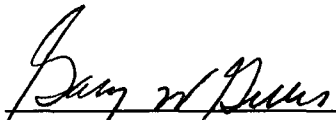
(c) BTU shall add sections to its tariff in which it adopts a standard heating value for its gas pursuant to 807 KAR 5:022, Section 16(2), and a standard pressure measured at the customer's meter outlet pursuant to 807 KAR 5:022, Section 13(14).

Done at Frankfort, Kentucky, this 8th day of September, 1998.

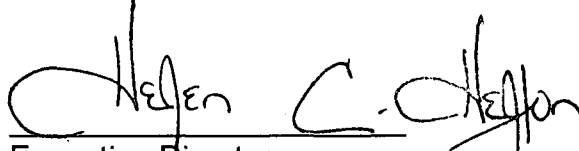
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