

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE RELIABILITY OF THE)	
NATURAL GAS SUPPLY FOR STEPP BRANCH GAS)	CASE NO. 2000-346
COMPANY AND ALLEGED VIOLATIONS OF KRS)	
278.300)	

ORDER

Stepp Branch Gas Company (“Stepp Branch”) has moved to stay¹ the operation of the Commission’s Order of November 1, 2000,² for a period of three years to permit it additional time to secure a permanent source of gas supply. In support of its motion, Stepp Branch states that Columbia Natural Resources (“CNR”) has agreed to supply Stepp Branch with natural gas for a period of three years.

Having reviewed the motion and being otherwise sufficiently advised, the Commission finds that the motion should be granted and that Ordering Paragraphs 6 and 7 of the Order of November 1, 2000, as subsequently amended, should be stayed for a period of three years. We further find that, while the operation of our Order is stayed, Stepp Branch should periodically file with the Commission written reports on the status of its efforts to obtain a permanent natural gas supply.

¹ Stepp Branch’s motion is filed in the form of a letter to the Commission’s Executive Director. For purposes of this Order, we shall consider this letter as a motion to stay the operation of the Order of November 1, 2000, as amended by later Commission Orders.

² On November 1, 2000, the Commission entered an Order in this proceeding in which we directed Stepp Branch to “cease operations as a natural gas distribution company on or before April 1, 2001.” By our Orders of March 26, 2001 and May 31, 2001, we extended the time in which Stepp Branch had to cease operations to July 1, 2001.

IT IS THEREFORE ORDERED that:

1. Stepp Branch's motion for stay is granted.
2. Ordering Paragraphs 6 and 7 of the Commission's Order of November 1, 2000, as amended by the Commission's Orders of March 26, 2001 and May 31, 2001, are stayed until July 1, 2004.
3. Within 10 days of executing a written agreement with CNR for a temporary supply of natural gas, Stepp Branch shall file a copy of this agreement with the Commission.
4. Beginning on January 2, 2002, and each six months thereafter, Stepp Branch shall file a written report with the Commission describing the current status of its efforts to obtain a permanent supply of natural gas.

Done at Frankfort, Kentucky, this 5th day of July, 2001.

By the Commission

ATTEST:


Executive Director