

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

EAST KENTUCKY UTILITIES, INC. )  
DELINQUENT PURCHASED GAS )  
ACCOUNT WITH KENTUCKY WEST ) CASE NO. 9405  
VIRGINIA GAS COMPANY )

SHOW CAUSE ORDER

On August 13, 1985, the Commission received a copy of a letter sent by Kentucky West Virginia Gas Company ("Kentucky West") to East Kentucky Utilities, Inc., ("East Kentucky") regarding East Kentucky's delinquent purchased gas account with Kentucky West. According to the information in the letter the last payment on East Kentucky's account received by Kentucky West was on May 22, 1985, in the amount of \$60,000, which leaves a balance owed to Kentucky West of \$249,706. This balance owed includes an interest penalty of \$7,275.

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 East Kentucky that on or before September 1, 1985, a definite payment schedule must be arranged with Kentucky West in order to eliminate East Kentucky's delinquency. Otherwise, Kentucky West will suspend gas deliveries to East Kentucky and initiate civil action to collect the monies owed to Kentucky West by East Kentucky.

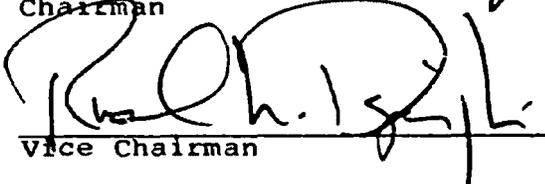
Due to the impending heating season of 1985-86 and the failure of East Kentucky to pay its gas bill and/or arrange for payment to Kentucky West the Commission finds it is necessary for East Kentucky to explain the reasons for the delinquency to Kentucky West, and what East Kentucky's intentions are towards resolution of its delinquent account with Kentucky West.

IT IS THEREFORE ORDERED that East Kentucky shall appear before the Commission on August 29, 1985, at 10:00 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 East Kentucky's delinquent purchased gas account with Kentucky West, and to demonstrate what actions East Kentucky 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

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary