

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FOREXCO, INC. FOR)	CASE NO.
FARM TAP RATE ADJUSTMENT)	2012-00022

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO FOREXCO, INC.

Pursuant to 807 KAR 5:001, Forexco, Inc. ("Forexco") is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due within 14 days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the individual responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Forexco shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Forexco fails or refuses to furnish all or part of the requested information, it shall provide

a written explanation of the specific grounds for its failure to completely and precisely respond. Careful attention shall be given to copied material to ensure that it is legible.

1. Refer to the maps included in Forexco's Application ("Application").

a. Explain whether any customers, either paying customers or "free gas" customers, are connected to any of the existing gathering lines shown.

b. If the answer to part a. above is that there are paying customers connected to any of these lines, state how many customers, the rate(s) they are being charged, and by what authority.

c. If the answer to part a. above is that there are no paying customers connected to these lines, describe Forexco's past efforts and planned future efforts to locate and advise residents located within one-half air mile of those lines, as well as the proposed line, of their right pursuant to KRS 278.485 to request farm tap service from those lines. Include an estimate of the population density of the portion of Bell County in which the gathering lines are located and provide separately the number of individuals or entities that could be eligible for farm tap service from the existing lines and the proposed line.

d. Other than the gas well marked at the beginning of the proposed pipeline extension and the one marked at Cubage Creek, does Forexco anticipate other gas wells being added along this new section?

2. Refer to Forexco's transmittal letter and to the draft letter included as document 8 of Forexco's Application.

a. Explain whether Forexco is aware that a farm tap system does not meet the statutory definition of a utility set forth in KRS 278.010.

b. Explain whether Forexco is aware that a farm tap system has no continuing obligation to serve its customers if it chooses to shut in wells to which the gathering lines that serve them are attached, if the gas supply from those wells is depleted, or if the gas company owning the gathering lines decides to discontinue operations altogether.

c. Explain whether Forexco is aware that its obligation to serve the public as a farm tap provider is limited to those members of the public located within one-half air mile of its gas producing wells or gathering lines, and to the period of time that gas is available at the discretion of the farm tap provider.

3. Explain whether Forexco's purpose is to provide utility service to customers, and if its intent is to establish a local distribution gas utility subject to the Commission's full authority under KRS Chapter 278 and KAR 807, including, for example, rate regulation pursuant to KRS 278.180, full gas distribution safety regulation, and the payment of assessments pursuant to KRS 278.130 through KRS 278.150.

4. Refer to the Affidavit of J. Christopher Gibbs concerning the request to tap on to the proposed line. Explain who the legal owner of the real property is; what facilities are in place on the real property, described as containing 1,551.82 acres; and the basis for the estimated 5 Mcf monthly usage for this potential farm tap customer.

DATED FEB 08 2012

cc: Parties of Record


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