

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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| WESTERN KENTUCKY GAS CO., |) | |
| A DIVISION OF TEXAS AMERICAN |) | |
| ENERGY, |) | |
| COMPLAINANT |) | CASE NO. 9278 |
| VS. |) | |
| ORBIT GAS COMPANY, INC., |) | |
| DEFENDANT |) | |

O R D E R

On March 1, 1985, the Commission instituted the above styled case to investigate a complaint by Western Kentucky Gas ("Western") regarding the proposed sale of interstate gas by Orbit Gas Company ("Orbit") to Alcan, Inc. Included in this complaint is a request by Western that the Commission issue a Cease and Desist Order preventing Orbit from serving Alcan, Inc.

The principal issue in this complaint is the nature and extent of the Commission's jurisdiction concerning the sale of natural gas by Orbit. Orbit contends that all of its customers are served on a contractual basis, that service is not extended to the general public, and that all but one customer is either part-owner of Orbit or a right-of-way customer. Therefore, Orbit concludes that there has been no change in the circumstances of natural gas sales by Orbit that the Commission has not already reviewed in earlier cases CN 9046 and CN 9075.

In order to adequately review the issues in this complaint and to clarify the chronology of events concerning the nature and construction of Orbit's 4" connector line, the present and future status of Orbit's customers and natural gas supplies, and other issues pertinent to this case, the Commission is of the opinion and hereby finds that additional information is required from Orbit to proceed with this case.

IT IS THEREFORE ORDERED that Orbit shall file the following information with the Commission with a copy to all parties of record, within twenty days of the date of this order. Include with each response the name of the person who will be responsible for responding to questions relating to the information involved.

1. When did Orbit initiate the Construction and complete the installation of its 4" connector line between the American Natural Resources' 30" line and Alcan's 6" line.

2. What was the total cost of the 4" connector line? What was the cost to Orbit?

3. Are regulators, relief valves and other associated equipment installed on the 4" connector line?

4. In the event of a regulator failure does the 4" connector line have proper relief capability to protect the integrity of the Alcan line and other tie-ins to the Alcan line?

5. Provide a list of all current industrial customers, the quantities of gas each purchased from Orbit during calendar year 1984, and through April 1, 1985, and the cost per Mcf to each customer.

6. Is Orbit actively pursuing new industrial customers?
7. Provide a list of any pending contracts between Orbit and prospective industrial customers.
8. What is the total number of farm tap customers that Orbit serves on all of its facilities?
9. Is Orbit actively enlisting new farm tap customers?
10. Provide a copy of a typical right-of-way agreement for a prospective farm tap customer.
11. Provide a list of all suppliers of natural gas to Orbit who use the facilities of American Natural Resources.
12. What is the commodity cost of natural gas purchased from each of these suppliers? What is the transportation cost in each case?
13. What is the cost of gas supplied by Orbit to Alcan (per Mcf)? Is there a transportation cost element included? If so, how much?
14. Provide a list of all local producers in Kentucky who supply natural gas to Orbit?
15. Does Orbit have a long term marketing strategy? If so provide a detailed statement describing its plan to maintain or to enlarge its market share over the next five years.

IT IS FURTHER ORDERED that a hearing shall be held on June 4, 1985, to discuss this information and other related matters in this case.

Done at Frankfort, Kentucky, this 30th day of April, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Henson, Jr.
Chairman

/
Vice Chairman

/
Commissioner

ATTEST:

Secretary