COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC., FOR AN ORDER AUTHORIZING IT TO AMEND ITS TARIFF AND FOR AUTHORITY TO DEVIATE FROM COMMISSION REGULATION 807 KAR 5:022, SECTION 9(17)(a)1 AND 807 KAR 5:022, SECTION 9(17)(a)2	)))))))	CASE NO. 10127

O R D E R

On January 12, 1988, Columbia Gas of Kentucky, Inc., ("Columbia") filed an application with the Commission requesting a deviation from 807 KAR 5:022, Section 9(17)(a)1 and 807 KAR 5:022, Section 9(17)(a)2. Said request proposed authority to assume ownership of the service lines of residential and commercial customers and take responsibility for maintenance of those lines; and proposed authority for the omission of curb boxes and curb valves, even in cases where the service tee is under pavement. Hydraulic tools are to be used to terminate a service line by pinching or squeezing off the line for shut-off purposes if the service tee is under pavement.

Additional information is needed for an adequate and proper consideration of these deviations requested by Columbia.

IT IS THEREFORE ORDERED that Columbia shall file an original and five copies of the following information with the Commission with a copy to all parties of record no later than March 1, 1988.

1. Describe a typical Columbia service line connection to a residential meter. Illustrate the facility and connection from the main line to the property gas meter by a sketch.

2. Are mobile homes considered in this program? If yes, provide a sketch for the proposed service connection to a mobile home(s).

3. How does a customer living in a mobile home who does not own the land grant Columbia an easement for such a service line?

4. In the case of a mobile home park with a master meter, how do you define the service line? Does it include the individual service lines to the mobile homes?

5. What type of material does Columbia employ for service lines?

6. What is the highest pressure in the existing main lines?

7. What is the manufacturer's recommendation in the squeeze-down to shut-off procedure in regard to the following:

a. The allowable minimum ambient temperature for operating sqeezing-down or pinching the exposed pipe of the material used in service lines of Columbia.

b. The consequences of over-squeezing the pipe by using the hydraulic tools.

c. The safety hazard attributed to the built-up static charges in case of gas leak or a failure of complete closure.

d. The type of tests or reinforcements recommended for the pinched and reopened portion of the service line after the application of the squeeze-off tools to determine the effect of this operation on the long-term properties of the pipe.

e. For the types of service lines used by Columbia, what are the proven procedures for the pipes that are being pinched and reopened that will not cause failure and can be performed safely and effectively?

8. Submit an annual investment sheet, revised to the Attachment II of your subject request, by considering the implication of the regulation 807 KAR 5:022, Section 9(17)(a)1.

9. With reference to Paragraph II of Columbia's Service Line Proposal, (Attachment I of Application), provide the following information:

a. Upon implementation of the plan, state whether there will be any differences in operation and maintenance services provided to new customers versus operation and maintenance services provided to customers currently connected to the system. If yes, explain these differences.

b. Upon implementation of the plan, state whether there would be any differences in the services provided by Columbia for lines that it will own versus those service lines it will not own. If yes, explain these differences.

10. With reference to page 2 of the Proposal, provide the following information:

a. Provide the backup information, studies, reports, and workpapers supporting the statement that the cost of installation of new customer service lines is generally between $500 and $1,000.

b. Provide the backup information, studies, reports, and workpapers supporting the estimated cost savings of 25 percent if the service line is installed as a single unit.

11. With reference to page 3 of the Proposal, provide the following information:

a. Provide the backup information, studies, reports, and workpapers supporting the statement that the cost of installing a complete gas heating system is $300 to $800 greater than the cost of installing an electric heat pump.

12. With reference to page 4 of the Proposal, provide the following information:

a. Provide the backup information, studies, reports, and workpapers supporting the estimate that Columbia will lose the opportunity to serve 794 new customers each year with an estimated average load of 86,256 Mcf per year.

b. Provide the backup information, studies, reports, and workpapers supporting Columbia's estimate that it loses approximately 40 customers each year, with a projected load loss of 1,650 Mcf per year, who switch to electric equipment rather than repair or replace their gas service lines.

13. With reference to page 5 of the Proposal, provide the following information:

a. Provide the backup information, studies, reports, and workpapers that support the projected annual savings of $16,173 due to reduced inspection requirements.

b. Provide the backup information, studies, reports, and workpapers that support the estimate that 1,095 complete

replacement service lines will be installed each year under the proposal.

14. With reference to Attachment II to the Application, provide the backup information, studies, reports, and workpapers that support the following amounts:

New Service Lines	$514,100
Mains-Applicable to Additional Customers	227,957
Meters and Regulators - Applicable to Additional Customers	37,620
Replacement Service Lines	388,977
Elimination Reserve for Depreciation	52,313
Effect on Working Capital	7,372
Operation and Maintenance Expense	<58,972>
Return on Rate Base	121,191
Federal Income Tax	37,240
State Income Tax	8,562
Residential Revenue	133,209
Commercial Revenue	13,097

15. In your proposal, does Columbia intend to take responsibility for the operation and maintenance of the entire customer service line regardless of its length?

16. With reference to Attachment III to the Application, describe the type of easement required to be granted to Columbia by the customers in the following cases:

a. New residential or commercial customers.

b. Customers that occupy premises already connected by service pipes but Columbia being responsible for operating and maintaining them.

c. Reinstallation of customers' service lines.

17. When service pipes exceed 100 feet, will Columbia own the service pipe in excess of 100 feet? If yes, who is responsible for the maintenance of that part of the line in excess

of 100 feet, including reinstallation of the entire line if deemed necessary?

18. If a customer requested relocation of the service pipe, will Columbia extend its services to the relocation of the service pipe under this plan?

Done at Frankfort, Kentucky, this 18th day of February, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Heman Jr.
For the Commission

ATTEST:

Executive Director