

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BELFRY GAS,)
INCORPORATED FOR AN APPLICATION FOR)
ADJUSTMENT OF RATES AND FOR AUTHORITY) CASE NO. 89-068
TO INCUR ADDITIONAL INDEBTEDNESS)

O R D E R

IT IS ORDERED that Belfry Gas, Incorporated ("Belfry") shall file the original and eight copies of the following information with this Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. The information requested herein is due no later than June 14, 1989. If the information cannot be provided by this date, you should submit

a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Provide a current map from the Army Corps of Engineers ("Corps of Engineers") for the South Williamson floodwall project, showing the Belfry customers to be affected.

2. a. Will the Corps of Engineers assume financial responsibility for the reinstatement of gas service? If not, who will?

b. Will the Corps of Engineers assume financial responsibility for the relocation of any lines? If not, who will?

3. Provide workpapers and calculations with descriptions of the test-year adjustment to the uncollectible accounts.

4. How reasonable is it to pay Kinbag Development ("Kinbag") the same price for gas that Columbia Gas Transmission Corporation ("Columbia Transmission") charges considering the current market for local production in Eastern Kentucky?

5. Are cheaper sources of gas available to Belfry than Kinbag's and Columbia Transmission's gas?

6. Is there any possibility that Kinbag's rate could be negotiated down in the future in response to changing market conditions?

7. Show how the increase in revenue requirements was allocated between the minimum bill and the per Mcf rate. Explain on what basis the allocation was made.

8. How has Belfry's purchase mix changed over the last 3 years? Why has it changed?

9. Is there any benefit to customers in reducing purchases from Columbia Transmission and increasing purchases from Kinbag? Would this cause a change in the incurrence of take-or-pay liabilities?

10. Why are there wide monthly fluctuations in line loss/gain?

11. Provide support for the project cost of the \$82,000 (i.e., cost per foot, line size used, labor costs, etc.).

Done at Frankfort, Kentucky, this 30th day of May, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director