

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY PIPELINE AND)
STORAGE COMPANY, INC. FOR RECOGNITION)
AS AN INTRASTATE PIPELINE; FOR AUTHORITY) CASE NO. 91-074
TO CONSTRUCT A NATURAL GAS PIPELINE AND)
FOR RECOGNITION AS A TRANSPORTING UTILITY)

O R D E R

IT IS ORDERED that Kentucky Pipeline and Storage Company, Inc. ("KYPSCO") shall appear at an informal conference on Thursday, April 26, 1991 at 1 p.m., Eastern Daylight Time, in the Engineering Conference Room in the Commission's offices, 677 Comanche Trail, Frankfort, Kentucky.

IT IS FURTHER ORDERED that KYPSCO shall file with the Commission the original and 10 copies of the following information with a copy to all parties of record no later than April 22, 1991. 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. KYPSCO shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each item of information requested.

1. State whether KYPSCO has any agreements with Orbit Gas Company relating to gas storage other than the agreement found at Exhibit E of its application. If other agreements exist, provide a copy of each.

2. State whether the sample agreement found at Exhibit E of KYPSCO's application was executed with all persons listed in Exhibit F. If different lease agreements were used, provide a copy of each.

3. Provide a copy of all agreements relating to the proposed activity which KYPSCO has with American National Resources.

4. Provide the operating and design conditions of the gathering lines, facilities, and transmission line.

5. State whether KYPSCO will provide or is contemplating providing any farm tap or distribution services in the vicinity of the proposed system.

6. Provide flow diagrams of the gathering system, facilities, and transmission pipelines.

7. Explain why KYPSCO is basing its transportation rates upon units of 1,000 cubic feet. Explain how KYPSCO will compensate for the differences in heat values of different sources of gas.

8. Explain how KYPSCO arrived at the rate of transportation of 15 cents per Mcf.

9. State the diameter of the transmission line.

10. Provide documents showing KYPSCO's safety measures that will be taken in overpressuring reservoir pressure above the

original pressure. State whether KYPSCO expects gas losses results for overpressuring the gas well's pressure.

11. What type of customer will be served under Storage Service Rates S-1? In what way will this service be non-jurisdictional to this Commission?

12. Is the reservation charge of 5 cents per Mcf the only charge involved in purchasing storage service under Rate S-1?

13. Define reservation charge.

14. Are provisions for Cushion Gas and Fuel and Shrinkage to be contained in contracts executed with customers to be served under Rate Schedules TS-1 and TS-2?

15. Why are rates for storage service itself not separately set out under TS-1 and TS-2? Is the 15-cent transportation charge intended to cover storage service as well?

16. What special storage and transportation services are envisioned under subsection H of Rate TS-1's section 4, Terms and Conditions?

17. Why is KYPSCO proposing to pay, but not unconditionally charge, interest on imbalance collections? Is an interest charge of 12 percent the only penalty envisioned by KYPSCO in the case of fraud or meter tampering?

18. Will any customer(s) be served solely under TS-2? Will these customers be charged a market-determined transportation rate that varies on a periodic basis, or is this merely an alternative option available on demand or by request to customers normally served under TS-1?

19. Will the transportation rate as determined under Rate TS-2 flex up as well as down?

20. What elements of customer-specific variable costs will be used in determining the "floor" for flex rates?

21. Under what circumstances would KYPSCO decline to flex for a customer requesting such flexed rate?

22. Upon what basis does KYPSCO foresee a Rate TS-2 customer "representing" to it a price for transportation service? What criteria will it use for assessing the reasonableness of such a representation?

Done at Frankfort, Kentucky, this 11th day of April, 1991.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director