

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION AND TARIFF REQUEST)	
OF K. PETROLEUM, INC. TO INCREASE ITS)	CASE NO.
RATES AND CHARGES FOR PROVIDING FARM)	2004-00436
TAP SERVICE PURSUANT TO KRS 278.485)	

COMMISSION STAFF'S FIRST DATA REQUEST
TO K. PETROLEUM, INC.

K. Petroleum, Inc. ("KPI") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due within 20 days of the date of this request. 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 person 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, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. State whether KPI's gas, "associated natural gas," is produced in conjunction with the production of petroleum. If it is, provide the pressure as of the last stage of oil/gas separation.

2. Provide the current analysis from the last stage of separation, or from the inlet of the main compressor, whichever is applicable, which shows BTU content, sulfur

content and hydrogen sulfide. The analysis should be certified by a laboratory that tests petroleum products.

3. The Gas Price Calculation on pages 1 and 2 of KPI's application includes a 12-month NYMEX strip price of \$7.12. Provide the documents that support this price.

4. State the number of customers that KPI presently serves. Provide the average number of customers served by KPI for each of the years 2002, 2003 and 2004.

5. Provide KPI's total Mcf production for each of the years 2002, 2003 and 2004.

6. Provide KPI's current number of employees. State the number of employees for each job title.

7. Refer to 807 KAR 5:026, Section 9(b), which applies to KPI's situation, i.e., its proposed percentage increase exceeds the percentage price change in the price index. Section 9(b) states, "The [cost] data shall include the gas company's costs to provide the service during each of the previous two (2) years. . . ." Explain how the per-unit cost support provided in the "Footnotes" section of KPI's application complies with this requirement.

8. Refer to the "Footnotes" section of the application. Explain why Well Operator Cost, Administrative Personnel Cost, Methanol and Supplies, and Mileage are included both in the Gas Price Calculation and the Minimum Monthly Charge.

9. Refer to the "Footnotes" section of the application. Provide all employee time records, travel records, etc. that support the estimates of hours worked and travel miles included therein.

10. Refer to the tap fee calculation. Explain why the costs of the meter and meter installation were included in the determination of the tap fee. Provide the tap fee with the costs of the installed meter excluded.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED: December 17, 2004

cc: All Parties