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**OVERNIGHT DELIVERY**



June 24, 2010

Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

RE: **Atmos Gathering Corporation's Responses to KPSC Second Data Request May 27, 2010 Case No. 2009-00417**

Dear Mr. Derouen:

I enclose herewith an original, plus eleven (11) copies, of Atmos Gathering Corporation's Responses to the Kentucky Public Service Commission's Second Data Request in Case No. 2009-00417 for filing in your office. Please return one stamped filed copy for my records. Thanks.

Very truly yours,

Mark R. Hutchinson

# ATMOS GATHERING COMPANY

**KENTUCKY**

**Public Service Commission**



**CASE NO. 2009-00417**

## RESPONSES TO SECOND DATA REQUEST

## OF

## COMMISSION STAFF

Atmos Gathering Corporation
Kentucky
Case No. 2009-00417
Commission Staff Data Request
DR Item 1
Witness: Paul Vance
Director- Business Development Midstream

Data Request:

Refer to Atmos Gathering's response to Item 2 of Commission Staff's First Data Request. Atmos Gathering states that it has not received approval of or installed reinforced thermoplastic pipe ("RTP") in any other state. State whether Atmos Gathering is aware of any other entity using RTP in any other jurisdiction.

**RESPONSE:** Atmos Gathering was not aware of other entities using RTP in other jurisdictions so it requested that information from Flexpipe Systems, the manufacturer of the RTP Atmos proposes to use. It provided the following information:

a. State the jurisdiction in which RTP has been approved for use by the state commission and is being installed or operated.

***The Office of Pipeline Safety (OPS) granted a petition on March 3rd, 2005 to install and operate an RTP pipeline in the Dundee Storage Field located in Schulyer County, New York.***

b. The name of the utility or pipeline company using RTP and the length of such pipeline currently being installed or operated.

***The company responsible for the installation and operating of the RTP system in the Dundee Storage Field is Columbia Gas Transmission.***

c. The date of installation, the maximum allowable operating pressure, and the actual operating pressure of the pipeline.

***Flexpipe Systems is not aware of the actual date of installation or actual operating pressure of the pipeline. The subject pipeline was designed to be installed into an existing gas storage system with a maximum allowable operating pressure of 825 psi.***

d. Explain whether Atmos Gathering is aware of any problems experienced on currently installed RTP.

***Atmos is not aware of any problems experienced with the RTP pipeline.***

Atmos Gathering Corporation
Kentucky
Case No. 2009-00417
Commission Staff Data Request
DR Item 2
Witness: Paul Vance
Director- Business Development Midstream

Data Request:

Refer to Atmos Gathering's response to Item 4 of Commission Staff's First Data Request. Atmos Gathering states that a third-party independent emissions testing company performed field tests for Flexpipe on 174,000 feet of Flexpipe natural gas gathering lines and 140 Flexpipe couplings. Provide the following:

a. The name of the third-party independent emissions testing company.

***Reliable Emission and Detection Inc.***
5-102 Canoe Square Sw,
Airdrie, AB, T4B2Z1

b. The date the field tests were performed.

***The field tests were performed on March 17th, 18th , 19th and 23rd, April 5th and 7th, 2006.***

c. Explain whether the tests were performed on one continuous line or separate lines.

***The tests were performed on three separate gathering projects, each with various pipeline legs:***
***Atlee Buffalo Area – Conoco Phillips***
***Boyer Area – Husky***
***Jenner Area – Conoco Phillips***

d. Explain whether the testing was performed on RTP that is currently in operation and the location of such lines.

***The testing was performed on RTP that was in service at the time and had been for approximately two years. The locations for these lines were all in the province of Alberta in Canada and are traceable by Legal Sub-Division (LSD) locations as follows:***
***Atlee Buffalo Area:***
***06-12-021-06 W4M to 14-12-021-06 W4M***

***16-12-021-06 W4M to 14-12-021-06 W4M***
***08-12-021-06 W4M to 16-12-021-06 W4M***
***14-12-021-06 W4M to 16-11-021-06 W4M***

***Boyer Area:***

***10-29-106-01 W6M to 11-06-106-01 W6M***

***Jenner Area:***

***06-06-021-08 W4M***
***10-06-021-08 W4M***
***10-08-020-09 W4M to 06-08-020-09 W4M***
***04-09-020-09 W4M to 06-09-020-09 W4M***
***15-05-020-09 W4M to 02-08-020-09 W4M***

e. Explain if any similar tests/studies have been conducted on Flexpipe and couplings after having been in service for more than two years.

***There have been no additional studies to the one referenced above that document venting data from Flexpipe lines in service for more than two years as no findings with differing information have been made from gas detection which is equipped on some lease sites with Flexpipe pipelines.***

Atmos Gathering Corporation
Kentucky
Case No. 2009-00417
Commission Staff Data Request
DR Item 3
Witness: Paul Vance
Director- Business Development Midstream

Data Request:

Refer to the "Technical Details" section of the Application

a. State whether Atmos Gathering has performed its own pressure testing or whether all testing was performed by Flexpipe

***Atmos has not performed any independent testing. All pressure testing has been performed by Flexpipe in accordance with API D2992.***

b. Atmos Gathering states that confidential cyclic pressure performance and pressure design basis and design factor test data are available. Provide this information. Atmos Gathering may file a petition for confidential protection pursuant to 807 KAR 5:001, Section 7, for any information it believes warrants such treatment.

***Atmos has been advised by Flexpipe Systems that it will supply the requested confidential information to Atmos who, in turn, will submit it to the Commission under a separate Petition for Confidentiality.***

Atmos Gathering Corporation
Kentucky
Case No. 2009-00417
Commission Staff Data Request
DR Item 4
Witness: Paul Vance
Director- Business Development Midstream

Data Request:

Refer to the "Flexpipe Product Information" section of the Application in regard to the "Flexpipe Track Record" subsection. Provide further details and references for the five gas distribution systems in Canada.

***RESPONSE:*** *At the time the Application was submitted, there were five different gas gathering systems using Flexpipe. Flexpipe Systems currently has 11 gas distribution projects in Canada among 9 different companies. Below is the list of companies and projects with references.*

- ***Pacific Northern Gas Ltd.***
  - *Contact: David Oatway, Phone: 1-250-638-5322*
    - *4", 2 miles installed in 2005*

- ***AltaGas Utilities Inc.***
  - *Contact: Nathaniel Lesage, Phone: 1-780-980-6720*
    - *3", 4 miles installed in 2007*
    - *3", 3 miles installed in 2010*

- ***Rosebud Gas Co-op***
  - *Contact: - Carol Collaghan, Phone: 1-403-533-3882*
    - *2", 6 miles installed in 2007*

- ***Prairie River Gas Co-op***
  - *Contact: - Roger Bjornson, Phone: 1-780-523-3572*
    - *2", 3 miles installed in 2007*
    - *3", 10 miles in stalled in 2009*

- ***Alta Gas Income Trust***
    - *Contact: - researching contact that was involved in this project, Phone: Unknown*
    - *4", 1 mile installed in 2008*

- ***Buck Mountain Gas Co-op***
  - *Contact: Lorne Garrit, Phone: 1-780-848-2808*
    - *2", 5 miles installed in 2009*

- ***Foothills Natural Gas Co-op Ltd.***
  - *Contact: Brian Baptist. Phone: 1-403-994-0596*
    - *2", 11 miles installed in 2010*

- ***West Parkland Gas Co-op Ltd.***
  - *Contact: Wayne Paul, Phone: 1-780-963-3311*
    - *2", 1 mile installed in 2010*

- ***North Peace Gas Co-op Ltd.***
  - *Contact: - Unknown, Phone: 1-780-835-5444*
    - *2", 1 mile installed in 2010*

Atmos Gathering Corporation
Kentucky
Case No. 2009-00417
Commission Staff Data Request
DR Item 5
Witness: Paul Vance
Director- Business Development Midstream

Data Request:

Refer to Atmos Gathering's response to Item 2 of Commission Staff's First Data Request and Section 1 of the Application. Atmos Gathering states that the project involves 23 miles of gas gathering pipelines with only around 10 percent in regulated Class 2 gathering areas.

a. Explain Atmos Gathering's intentions with regard to the use of RTP in the remaining 21 miles of pipeline in the event the Commission does not approve a deviation on the 10 percent of pipe that is located in Class 2 gathering areas.

***Atmos does not intend to use RTP on the remaining 21 miles if not approved by the Commission in class 2 areas.***

b. In the event a deviation is not approved and Atmos Gathering installs RTP in the 21 miles of the project that are located in Class 1, explain how Atmos gathering will connect the pipeline to the Class 2 gathering line.

***Not applicable***

c. State the locations of the connections on each end of the proposed pipeline. Specifically, state whether the connections on each end of the pipeline are located in Kentucky. If yes, explain the connections that will be mad to the existing pipeline on each end of the proposed pipeline.

***Yes, both ends of the pipeline are located in Kentucky. The northern terminus of the pipeline will be in northern Edmonson County and will tie into an existing4-inch steel pipeline. The southern terminus will be in Rocky Hill at the Atmos Gathering Processing plant.***

***The connections to the existing pipeline on the northern terminus and to the rocky hill processing plant will be connected via an***

***approved weld neck fitting that transitions the RTP to steel using standard field welding procedures.***

Atmos Gathering Corporation
Kentucky
Case No. 2009-00417
Commission Staff Data Request
DR Item 6
Witness: Paul Vance
Director- Business Development Midstream

Data Request:

KRS 278.485 requires every gas pipeline company obtaining gas from producing wells located within this state, upon the request of the owner of the property on or over which any producing well or gas-gathering pipeline is located or the owner of the real estate whose property and point of desired service are located within one-half air mile of said company's producing gas well or gas-gathering pipeline, to furnish gas service to such owner or applicant.

a. State whether Atmos Gathering is obtaining gas from a producing well in this state and whether the gathering line at issue in this proceeding is connected to such well.

***Yes, Atmos obtains gas from producing wells and there is a potential for RTP to be utilized.***

b. If the answer to 6.a. is yes, explain how Atmos Gathering will make the necessary connections, including a description of all appurtenances that will be required to furnish gas to a requesting owner or applicant.

***Atmos will use a standard farm tap procedure including a basic meter, required regulation, odorization bottle and any other necessary appearances. The meter and regulation station will set in close proximity to the gathering line and will be connected with only approved thermoplastic fittings. Installation of fittings and tapping of the line will follow manufacturer's specifications. The requesting owner or applicant will be responsible for all costs including the loss of gas for blowing down the line.***

c. Explain whether Atmos Gathering's response to Item 3 of Commission Staff's First Data Request concerning shut-off is reasonable if it is required to serve customers pursuant to KRS 278.485.

***Yes, Atmos Gathering would be able to isolate the sections by valves and blow down the line to install a tap to serve farm tap customers. The gas lost during the installation is calculated using a standard***

***industry formula and would be charged to the owner or applicant at the current rates.***