

## Melnykovych, Andrew (PSC)

---

**From:** PSC - Public Information Officer  
**Sent:** Monday, December 23, 2013 11:26 AM  
**To:** 'J Porter'  
**Subject:** RE: 2013-332 Case Related Question

Mr. Porter:

Your comments have been received and will be placed into the case file.

*Andrew Melnykovych*

Director of Communications  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601  
502-782-2564 cell:502-330-5981

**RECEIVED**

By Kentucky Public Service Commission at 11:53 am, Dec 23, 2013

---

**From:** J Porter [REDACTED]  
**Sent:** Sunday, December 22, 2013 6:34 PM  
**To:** PSC - Public Information Officer  
**Subject:** Re: 2013-332 Case Related Question

Mr. Melnykovych:

The following are my comments concerning the phone conference that was held between PSC personnel and AmeriGas employees on November 14 of this year. I would like my comments entered into the public record and forwarded to Mr. Derouen and the other members of the commission. Can my request be fulfilled via this email or do I need to send this communication via postal mail or hand carry to the PSC offices as I have done twice in the past? Please let me know ASAP! Jim

In the record of the informal phone conference that was held between AmeriGas employees and PSC personnel the following statement was made by AmeriGas personnel:

*"AmeriGas's counsel stated that an AmeriGas employee had driven through Old Bridge and saw firsthand approximately 15 above ground propane tanks or above ground stems attached to buried propane tanks currently being used by residents of Old Bridge. AmeriGas's counsel stated that it was his understanding that both AmeriGas affiliates and non-affiliated bottled propane companies are currently providing propane to customers in Old Bridge who have individual tanks."*

First off let me say that having an employee "drive around" our subdivision is not exactly the best way of obtaining accurate information. While it is true that there are several, although considerably less than 15, homes with small propane tanks these tanks are used for barbecue grills and/or gas fireplaces, not for heating. In at least one case the owner obtained a small propane tank (60 gallons) after having asked Brights Bottled Gas to run a line to his house. They refused to do so stating that the gas line was on the other side of the road (Old Bridge Road) and that they would not run a gas line to his house because they would have to "cut the road".

I also would like to refute the assertion that there are "above ground stems attached to buried propane tanks" as I do not believe that is the case.

AmeriGas is apparently trying to equate the presence of small (120 Gallon maximum) portable propane tanks used for gas grills and fireplaces with large permanently installed 500 gallon tanks that would be used for heating. In point of fact from both a practical and esthetic point of view there is no such equivalence.

The most important point either did not come up or was not adequately addressed in the phone conference. Specifically why does Amerigas insist upon replacing our perfectly functional Master gas tank and pipeline with large ugly unsightly individual 500 gallon tanks? If they are not making an adequate rate of return on the pipeline is not the appropriate remedy for them to petition the PSC for a rate increase that would allow them to make an adequate rate of return? I simply do not buy their assertion that they cannot make a reasonable profit by using the existing delivery system. There is nothing inherently more costly about supplying propane via a master gas tank and pipeline versus individual tanks and frequent truck deliveries.

The fact is that AmeriGas simply wants to be free from the oversight of the Public Service Commission and they are willing to go to great lengths (and expense) to do so. They knew when they purchased Heritage Propane/Bright's Bottled Gas that they were purchasing a small pipeline operation, and they went ahead with the purchase anyway. In spite of their assertions to the contrary I am pretty certain that they intended from day one to abandon our pipeline and to install individual tanks.

What if the water company decided that they no longer wanted to supply water to its customers via underground water lines and a central pumping station; but would rather serve each home individually by having each home owner have a large holding tank (or cistern) with individual truck deliveries? Would the PSC approve this? I think not and I simply do not see the distinction between this hypothetical situation and what AmeriGas is proposing to do.

It would seem that part of this decision hinges upon whether or not there exists a competitive market for propane in Boyle county. I would submit that there is not. AmeriGas purchased Heritage Propane/Bright's Bottled Gas and it also owns Empire Gas thus it effectively has a near monopoly on the gas business in this area. I did contact Empire Gas and Southern Sates to get price quotes on propane and they were within a couple of cents per gallon of each other.

Please keep the PUBLIC in Public Service Commission and do not allow a large multi-billion dollar energy company (AmeriGas) to run roughshod over the interests of the citizens of Boyle County.

Jim Porter

On Dec 11, 2013, at 10:28 AM, PSC - Public Information Officer wrote:

Mr. Porter:

Here is a link to the memo summarizing the recent informal conference:

[http://psc.ky.gov/PSCSCF/2013%20cases/2013-00332/20131120\\_PSC%20IC%20Memo.pdf](http://psc.ky.gov/PSCSCF/2013%20cases/2013-00332/20131120_PSC%20IC%20Memo.pdf)

You can access the entire case file and follow the case here:

[http://psc.ky.gov/Home/Library?type=Cases&folder=2013\\_cases/2013-00332](http://psc.ky.gov/Home/Library?type=Cases&folder=2013_cases/2013-00332)

No hearing date has been set for this case and there are no other meetings set at this time.

*Andrew Melnykovich*

Director of Communications  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601  
502-782-2564 cell:502-330-5981

---

**From:** J Porter [REDACTED]  
**Sent:** Tuesday, December 10, 2013 8:03 PM  
**To:** PSC - Public Information Officer  
**Subject:** Case Related Question

PSC Personnel:

My inquiry is about case 2013-00332

What is the current status of this case? I know there was a telephone conference between AmeriGas and PSC personnel but do not know if a hearing or any other meeting is scheduled?

Please realize that this case is of significant bearing and intense interest to many of us here in Old Bridge. It will have a significant impact on our quality of life and living conditions.

Jim Porter

Jim Porter

155 Old Bridge Road  
Danville, KY 40422



Jim Porter  
155 Old Bridge Road  
Danville, KY 40422

