

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

In the Matter of

The B & H Gas Company deviation from)
Commission Regulation 807 KAR 50:035) Case No. 7737
Gas: Section 5(1))

On December 6, 1979, this Commission received a formal request from the B & H Gas Company asking for a deviation from Commission Regulation 807 KAR 50:035, Section 5(1), (Measuring Production) as allowed by Section 20, deviation from rules.

The management of B& H Gas Company stated that metering all gas purchased would be a burden due to the financial expense of metering seven individual sources of supply.

In lieu of meeting the requirements of 807 KAR 50:035 Section 5(1) the Company proposes to increase its leakage survey interval from once each five years to once each year to insure control of unaccounted for gas through leakage.

The Commission being advised is of the opinion and finds

- (1) That installation of meters on the seven sources of supply would cost approximately \$10,500.
- (2) That the annual expense of testing and maintaining the said meters will be approximately \$700.
- (3) That B & H Gas Company's operation is relatively small with only 302 customers served.
- (4) That B & H Gas Company has a long term contract with Mr. Sol Bradley for gas produced at 0.47¢ per mcf. B & H Gas Company being only billed for that gas passing through the customers' meters.
- (5) That the intent of Commission Regulation 807 KAR 50:035 Section 5(1) is to enable the calculation of the percentage of unaccounted for gas (line loss).
- (6) That B & H Gas Company should be granted additional time to install the required meters to lessen the financial burden that purchasing said meter will present.

- (7) That an additional five (5) years to install the required meters should be adequate time to appropriate moneys to purchase said meters.
- (8) That increased leak survey intervals will be necessary to insure adequate monitoring of unaccounted for gas.
- (9) That a leak survey conducted once a year on the entire B & H Gas Company system will be adequate to insure control of unaccounted for gas through leakage until such time as the required meters are installed.
- (10) That the B & H Gas Company should repair significant leaks detected during said leak surveys.

IT IS THEREFORE ORDERED that B & H Gas Company's request for permission to deviate from Commission Regulation 807 KAR 50:035, Section 5(1) and not meter sources of supply be and is hereby denied.

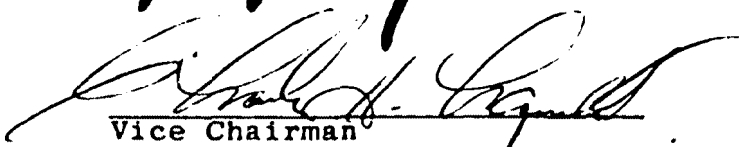
IT IS FURTHER ORDERED, however, that the B & H Gas Company be and is hereby granted additional time until January 1, 1986, to purchase and install all meters required by Commission Regulation 807 KAR 50:035, Section 5(1).

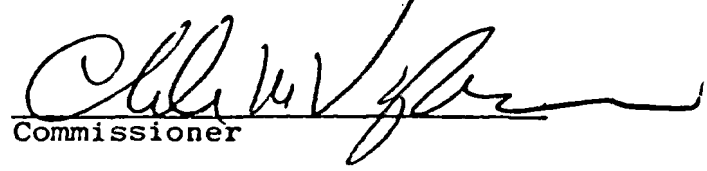
IT IS FURTHER ORDERED that the B & H Gas Company conduct increased leakage surveys with a gas detector at an interval of once each year until the required meters are installed and repair all significant leaks detected during said surveys.

Done at Frankfort, Kentucky this 24th day of June, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary