

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN APPLICATION BY XEBEC GAS COMPANY FOR)
PERMISSION TO INSTALL, OWN AND OPERATE)
CERTAIN "INTRASTATE PIPELINE" FACILITIES)
IN THE STATE OF KENTUCKY; FOR AUTHORI-)
ZATION TO EXEMPT SUCH FACILITIES FROM) CASE NO. 9370
BEING REGULATED AS A "UTILITY" UNDER KRS,)
CHAPTER 278; AND FOR REQUESTED TRANS-)
PORTATION SERVICE THROUGH THE PIPELINE)
SYSTEMS OF WESTERN KENTUCKY GAS COMPANY)

O R D E R

On June 21, 1985, Xebec Gas Company ("Xebec") submitted an application to the Commission which in part requests that the Commission order Western Kentucky Gas Company ("Western") to provide Xebec with pipeline tap connections into Western's pipeline system at Xebec's own expense, and that Western transport certain volumes of gas from Xebec to locations on Western's pipeline system for a fee determined on a "cost of service" basis.

Since it is Western's system that Xebec proposes to use, Western has a substantial interest in this case to the extent that Western's operation and maintenance of its system and Western's current ratepayers are impacted by Xebec's request to have Western transport Xebec's gas.

In order to determine the impact Xebec's proposal may have on Western's operation of its system and its ratepayers, and to clarify other issues which may affect Western's ability to accept Xebec's gas deliveries, the Commission is of the opinion and

hereby finds that additional information is required from Western to proceed with this case.

IT IS THEREFORE ORDERED that Western shall file the following information with the Commission, with a copy to all parties of record, within 20 days of the date of this Order. Include with each response the name of the person who will be responsible for responding to questions relating to the information involved.

1. What are the "peak" and "normal" deliverability capabilities of Western's system at Xebec's proposed interconnection point near Beulah, Kentucky?

2. What is the maximum operating pressure (MOP) and the maximum allowable operating pressure (MAOP) of the Western system at Xebec's proposed interconnection point near Beulah, Kentucky? To what extent, if any, do these pressures prevent the input of additional gas at this interconnection point?

3. During the past 12-month period what has been the average volume of gas passing through the Western system near Beulah, Kentucky, on a daily basis? To what extent, if any, does the presence of this gas prevent the addition of more gas into the Western system at the proposed interconnection point near Beulah, Kentucky?

4. To the extent that the Western system cannot accept additional gas at a point near Beulah, Kentucky, could Xebec's point of interconnection into the Western system be accomplished elsewhere without affecting pressure and volume limitations? If not, why?

5. Does Western have a full requirements purchase contract with Texas Gas? If not, what type? Please provide a copy of Western's contract with Texas Gas.

6. Does Western's contract with Texas Gas include take or pay obligations? If so, under what conditions can Texas Gas invoke these obligations?

7. If take or pay obligations do exist in Western's contract with Texas Gas, provide written confirmation from Texas Gas regarding the conditions under which take or pay would be invoked.

8. Do any other conditions exist with the Texas Gas contract that would prevent Western from purchasing gas from another supplier? How is Western able to purchase gas from local production in Kentucky without incurring take or pay obligations?

IT IS FURTHER ORDERED that a hearing shall be held on November 14, 1985, at 10:00 a.m., E.S.T., in the Commission's offices at Frankfort, Kentucky to discuss this information and other related matters in this case.

Done at Frankfort, Kentucky, this 8th day of October, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Hemenway, Jr.
Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary