

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF THE RATES OF AUXIER )  
ROAD GAS COMPANY, INC., FOR AN ) CASE NO. 9318  
INCREASE IN GAS RATES )

O R D E R

IT IS ORDERED that Auxier Road Gas Company, Inc., ("Auxier") shall file an original and 10 copies of the following information with the Commission, with a copy to all parties of record, by March 14, 1986, or within 2 weeks after the date of this Order, whichever is later. Include within the response to each item the name of the witness who will be available at the public hearing to testify on that particular issue. Careful attention should be given to copied material to insure that it is legible. In the event the requested information is not available, Auxier shall state explicitly why the information cannot be furnished. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. In its prefiled testimony both Mr. Branham and Mr. A. F. Humphries refer to two specific instances when the extension of the Cliff transmission line was used. For each instance provide the time period for which the line was in service and the amount

of Mcf (per month or per day as appropriate) provided through the line.

2. In addition to these two instances has the extension to the Cliff transmission line been utilized at any other time(s)? If so, state the time period and the amount of Mcf provided for each instance.

3. If Auxier had not decided to purchase the extension "to avoid legal entanglements", what types of legal entanglements would have ensued? Between whom?

4. Regardless of whether the extension line's tap into a Kentucky West Virginia line becomes a permanent supply point, can the extension line be utilized as a means to acquire local production of gas?

5. Has Auxier made contact with or received inquiries from local producers who have supplies of gas available? If so, how does the price compare with Columbia and Kentucky West Virginia?

6. In his prefiled testimony Mr. Humphries states that Auxier contracted with a third party to transport the gas purchased into its distribution system, and that a third party built the extension. Who was the third party in each instance? Describe the expertise and experiences each has relating to the transportation of gas and the construction of natural gas pipelines.

7. Explain the circumstances of the February, 1986, emergency that required the use of the Cliff transmission line and why it took until May, 1985, to correct the emergency. Also,

state the minimum amount of time that would have been required to correct the emergency with an immediate and maximum effort.

8. State all of the alternatives available to Auxier for serving the referred-to 60 customers.

9. With regard to the Cliff transmission line, provide copies of any contracts for gas which will require the utilization of this line. Also, indicate whether any of these contracts have been approved by FERC if required. If no contracts exist, explain.

10. Provide copies of all studies conducted on the feasibility of constructing the Cliff transmission line.

11. With regard to Humphries' testimony, provide a copy of the study wherein it was determined that Auxier could "save its customers approximately \$51,000 over a 5-month period by purchasing gas from other sources".

12. Provide any evidence available to show that Auxier is negotiating with other producers for any portion of its gas supply.

13. Provide reference to any testimony, exhibits, or cross-examination in Case No. 9003, presented by Auxier, relating to the appropriate determination of or basis for setting IUS rates.

Done at Frankfort, Kentucky, this 7th day of March, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hemmick  
For the Commission

ATTEST:

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Secretary