

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR APPROVAL OF)
SALE OF PUBLIC GAS COMPANY) CASE NO. 9442

O R D E R

IT IS ORDERED that Public Gas Company ("Public") shall file an original and 10 copies of the following information with this Commission within 2 weeks of the date of this Order with a copy to all parties of record. Include within the response to each item the witness who will be available at any public hearing to testify on that particular issue. 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. Please provide a copy of the current articles of incorporation for Public.

2. Please provide a copy of the current signed copy of Public's wholesale gas supply contract.

3. Please provide a breakdown as of December 31, 1984, of Accounts Payable to Associated Companies, Account No. 233, to include the name of the payee, the amount, the date incurred, and the business purpose. Please also provide copies of all indentures supporting the payables.

4. Please provide a breakdown as of December 31, 1984, of all long-term debt, Account Nos. 221, 223 and 224, to include the name of the payee, the payment schedule and maturity date, the

date incurred, and the business purpose. Please also provide copies of the indentures supporting the long-term debt.

5. Please provide a breakdown of all notes payable as of December 31, 1984, Account Nos. 231 and 233, to include the payee, the amount, the business purpose, the date incurred, interest rate, and maturity date. Please also provide copies of all indentures supporting the notes payable.

6. Please provide a copy of any transfer agreement between Mr. Edmund Vachon, Mr. Edsel McCoun, Red Head Oil Company, Inc., ("Red Head") and PATS Service Company ("PATS").

7. What role will Mr. McCoun have in the operations of Public in the future, either in the day-to-day operations, as a consultant, or any other capacity?

8. What relationship exists, or will exist, between Red Head and Public? Between PATS and Public?

9. Does Public currently purchase natural gas from Red Head? Does Public anticipate purchasing natural gas from Red Head in the future?

10. What is Mr. McCoun's role in Red Head? In PATS?

11. Does Mr. Vachon have a role of any kind in the operations of Red Head or PATS?

12. Describe Mr. Vachon's experience and capabilities in the day-to-day operations of a natural gas distribution company and the extent to which he is ready, willing and able to operate Public in compliance with the Commission's gas safety regulations.

13. Who supplies natural gas to Public? Describe the terms and provide copies of the contract(s).

14. In support of the answer to question number 12, how does Mr. Vachon support the statement that additional investment in cathodic protection is unwarranted. What percentage of Public's pipeline is plastic? cast iron? steel?

15. Mr. Vachon also stated in his March 1985 response that metallic pipe is being replaced "as fast as practicable". Provide an estimate as to when Public's system will be totally non-metallic. Until that time, to support the answer to question number 12, how does Mr. Vachon propose to prevent deteriorating metallic pipe from becoming a threat to public safety and a source of increased line loss?

16. What was Public's percentage of unaccounted-for gas as of December 31, 1985? How was it determined?

17. To support the answer to question number 12, why hasn't Public provided annual meter test reports to the Commission for 1984 and 1985? Describe Public's meter testing program. For 1984 and 1985 provide the following:

- a. number of tests made at customers' request
- b. number of tests made at Commission's request
- c. number of meters on which refunds were made
- d. total amount of refunds made
- e. number of customers billed for slow meters
- f. total amount billed on slow meters

Done at Frankfort, Kentucky, this 25th day of April, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hemmings
For the Commission

ATTEST:

Secretary