

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE GAS TRANSPORTATION AGREEMENT)
BETWEEN SCOTTY'S CONTRACTING AND) CASE NO. 93-283
STONE COMPANY AND NATURAL GAS)
OF KENTUCKY, INC.)

O R D E R

IT IS ORDERED that Natural Gas of Kentucky, Inc. ("Natural Gas") shall, within 10 days from the date of this Order, file the original and five copies of the following information with the Commission, with a copy to all parties of record. Careful attention should be given to copied material to ensure that it is legible.

1. On July 22, 1993, Natural Gas filed a proposed transportation agreement wherein it would transport natural gas to Scotty's Contracting and Stone Company ("Scotty's"). On September 14, 1993, Natural Gas filed an additional gas transportation agreement with Larry Glass Construction Company.

a. Is each company presently connected to the Natural Gas pipeline?

b. If yes, provide the date each was connected and the amount of gas (Mcf/month) each has received through the pipeline.

2. Provide a drawing which depicts the location of the Natural Gas pipeline and any other pipelines to which it is interconnected.

3. On September 21, 1993, Natural Gas filed additional information for the stated purpose of clarifying that both contracts are for gas transportation only, and that each prospective customer has a contract to purchase its supply of gas with Natural Gas Service in Owensboro, Kentucky.

a. Provide copies of each gas purchase contract.

b. Are Natural Gas and Natural Gas Service in Owensboro different companies? If yes, is there any common ownership?

4. In paragraph 4.1 of each contract, it is stated that each "[c]ustomer agrees to buy all gas used . . . exclusively from Company."

a. Who is "Company"?

b. Who has title to the gas when it first enters the Natural Gas pipeline?

c. At what point does each prospective customer take title to the gas?

5. In the contract with Scotty's, at Article VII, it is stated in the first paragraph that the price to be paid for gas transported shall be "a price equal to the monthly acquisition cost" plus \$3.00 per Mcf. However, the same Article, third paragraph, states that "[t]ransportation charges will be \$4.00 per Mcf delivered" and is followed by a chart setting out volume discounts.

a. Will Scotty's be paying Natural Gas for the gas itself, or only for transportation service?

b. How will the transportation service be priced?

Done at Frankfort, Kentucky, this 5th day of November, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director