

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF SIGMA GAS)
CORPORATION AND SALYERSVILLE GAS)
COMPANY, INC. FOR APPROVAL OF THE) CASE NO. 93-349
ACQUISITION OF THE ASSETS OF)
SALYERSVILLE GAS COMPANY, INC.)

O R D E R

IT IS ORDERED that Sigma Gas Corporation ("Sigma") shall file the original and 10 copies of the following information with the Commission, with a copy to all parties of record within 10 days of the date of this Order. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets is required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6.

IT IS FURTHER ORDERED that Sigma shall appear at an informal conference on July 11, 1994 at 1:30 p.m., Eastern Daylight Time, in Conference Room 2 of the Commission's offices to discuss the information filed in this proceeding and the future operations of Sigma.

1. When was installation of the on-site compressor completed? Was it ready to operate on that date?
 - a. Since that date, has the compressor been operated?
 - b. Between that date and May 31, 1994, how many days has the compressor actually been in operation (which specific days)?

2. Provide a copy of the compressor manufacturer's efficiency specifications chart which shows the different discharge pressures at which the compressor can operate and the corresponding flow rates.

3. Refer to Sigma's response to the Commission's May 10, 1994 Order which indicates that the original design of the compressor provides for a discharge pressure of 70 psig with a corresponding flow rate of 150 Mcf/day.

a. Are 70 and 150 maximum capacities for the compressor?

b. Can the compressor operate efficiently with a discharge pressure of 50 psig? If yes, what would be the flow rate?

4. With a flow rate of 150 Mcf/day at the compressor site, Sigma would have a very low margin between the maximum amount of gas available through the compressor and Sigma's peak day requirement of 123 Mcf/day (as previously estimated by Sigma). How does Sigma expect to serve additional customers with this margin at peak conditions?

5. Assuming discharge pressures of 50, 60, and 70 psig, estimate the line pressures between the compressor site and Sigma's city gate stations. Would these line pressures prohibit gas from local wells entering the line under compression, and thereby prevent local production from reaching to Sigma's city gates?

6. For March, April, and May 1994, list Sigma's purchases and sales, including the volumes purchased from each supplier and the price per Mcf.

7. For each month during the period December 1993 through May 1994, provide a copy of the pressure chart from each recording station or city gate Sigma operates.

8. For each month during the period December 1, 1993 through March 31, 1994, what was Sigma's peak day delivery (Mcf/day)? At what time in that day was the peak reached and how long (hours) was the peak maintained?

9. Sigma recently acquired 19 customers as the result of a settlement approved by Magoffin Circuit Court in C.A. No. 93-CI-00185.

a. What type of service does Sigma intend to provide these customers--distribution service or service pursuant to KRS 278.485 (farm tap)?

b. What is Sigma's source of gas for these customers, and what is its price (\$/Mcf)?

c. What rate does Sigma intend to charge these customers?

10. Commission Staff has been advised by the Kentucky May Coal Company ("Ky. May") that it has begun a strip mine operation along a ridge of Long Branch, west of Sigma's compressor site.

a. Will the strip mine's operations interfere with Sigma's ability to have its supply of gas from Equitable Resources Exploration ("EREX") delivered to Sigma's distribution system?

b. Will any pipeline need to be relocated to maintain delivery of EREX's gas to the distribution system?

c. Summarize any information Sigma has received from Ky. May relevant to its strip mining operations and EREX.

Done at Frankfort, Kentucky, this 21st day of June, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director