

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

VIVIAN HOLBROOK

COMPLAINANT

v.

ASHLAND EXPLORATION, INC.

DEFENDANT

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CASE NO. 94-317

O R D E R

The Commission, on its own motion, HEREBY ORDERS that the correspondence from the Federal Energy Regulatory Commission attached hereto as Appendix A be made a part of the record in this proceeding. The Commission further Orders that any party to this proceeding shall have 15 days from the date of this Order to file comments concerning the Appendix.

Done at Frankfort, Kentucky, this 24th day of March, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 94-317 DATED MARCH 24, 1995.
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D. C. 20426

February 8, 1995

Mr. Ralph Dennis
Public Service Commission of Kentucky
P.O. Box 615
Frankfort, KY 40602

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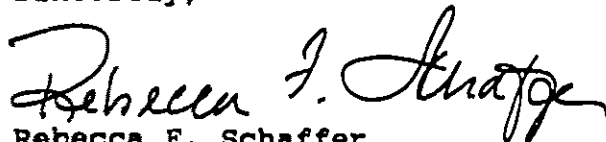
GENERAL COUNSEL

Dear Mr. Dennis:

The Federal Energy Regulatory Commission has recently received the enclosed letter from a homeowner in Kentucky asking the Commission to investigate Ashland Exploration, Inc.'s (Ashland) refusal to provide service under Section 278.485 of Kentucky Revised Statutes (KRS 278.485).

A copy of my letter advising the homeowner that the Commission no longer has jurisdiction over Ashland's sales and that the question of whether Ashland is required to provide service under KRS 278.485 is a matter to be addressed by the Kentucky Public Service Commission is also enclosed for your information.

Sincerely,



Rebecca F. Schaffer
Director
Office of External Affairs

Enclosures

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON D C 20426

February 8, 1995

Ms. Aloma Burke
HC 83, Box 658
Virgie, KY 41572

Dear Ms. Burke:

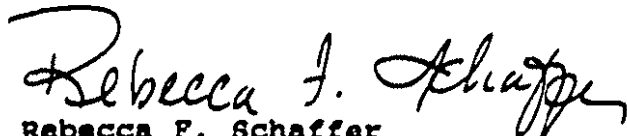
Thank you for your recent letter asking the Federal Energy Regulatory Commission to investigate Ashland Exploration, Inc.'s (Ashland) refusal to provide service to homeowners under Section 278.485 of Kentucky Revised Statutes (KRS 278.485).

Before the Natural Gas Wellhead Decontrol Act of 1989 (Decontrol Act) was enacted, it was necessary for Ashland, and all other sellers making first sales of natural gas, to obtain abandonment authorization from this Commission under the Natural Gas Act before gas that was dedicated to interstate commerce could be delivered to homeowners under KRS 278.485. However, the Decontrol Act removed this Commission's Natural Gas Act jurisdiction over first sales of natural gas as of January 1, 1993. Therefore, first sellers such as Ashland are no longer required to receive abandonment authorization from this Commission before delivering gas to homeowners under KRS 278.485.

Since we no longer have jurisdiction over Ashland's sales, the question of whether Ashland is required to provide service under KRS 278.485 is a matter to be addressed by the Kentucky Public Service Commission. Accordingly, I am sending a copy of your letter and my response to the Kentucky Public Service Commission. Should you wish to contact them directly, the address and telephone number are: 730 Schenkel Lane (P.O. Box 615), Frankfort, KY 40602, (502) 564-3940.

I hope this information is helpful. If I can be of future assistance in any Commission matter, please let me know.

Sincerely,



Rebecca F. Schaffer
Director
Office of External Affairs

Aloma Burke
HC 83, Box 658
Virgie, KY 41572
(606) 639-9886

Ms. Marilyn Rand
Office of Pipeline Regulation
Federal Energy Regulatory Commission
Washington, DC 20426

Dear Ms. Rand,

Why should citizens of Pike County, Kentucky, be denied access to natural gas and allow this great resource to be piped out of this region to customers in distant cities and states?

As a citizen of Pike County, the largest producer of natural gas in Kentucky, I am extremely concerned about the record of service of many of the largest gas companies, including Ashland Exploration, Inc.. Repeatedly, local residents have been denied the right to hookup to gas lines. Our people must endure gas lines, roads and wells in their yards and on their property without receiving any rights or benefits. Energy corporations have a long history of exploiting the people and resources of this region without giving back to our communities. By denying local hookups, large gas companies continue this shameful pattern. And it seems as if federal laws and regulations are helping them do it.

I am a member of the statewide citizens social justice organization, Kentuckians For The Commonwealth. Our efforts to negotiate with representatives of Ashland Oil have been largely unsuccessful. We have been told that Ashland and other interstate pipeline companies cannot serve new local customers without receiving additional permission from the Federal Energy Regulatory Commission. In a recent conference with Ashland representatives we specifically asked that the company join forces with local citizens and the offices of Kentucky's Attorney General and Public Service Commission in requesting from FERC permission to divert additional gas for domestic services. They responded with a clear "no", saying that it is not a corporate strategy to increase domestic services.

Our group has received active support of Kentucky's Public Service Commission, the Attorney General's Office, and from US Congressman Hal Rogers in our efforts to win the right for local people to have access to gas service. We understand from contacts with these offices that any resolution of this problem requires the participation of your agency.

Therefore, the Pike County Chapter of Kentuckians For The Commonwealth requests a meeting with you or appropriate representatives of FERC before April, 1995. We feel that current laws and court rulings have enabled large gas producers to receive great profits at the expense of local citizens and communities. We request a hearing before FERC representatives to express these concerns and discuss possible resolutions.

Please be in contact with me within two weeks regarding this request. Your urgent attention is appreciated. Thank you for your consideration.

Sincerely,
Aloma Burke
Aloma Burke

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON D C 20426

February 3, 1995

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FEB 15 1995

DIVISION OF UTILITY
ENGINEERING & SERVICES

Mr. Homer S. White
221 Elm Street
Pikeville, KY 41501-1709

Dear Mr. White:

Thank you for your January 16, 1995, letter asking the Federal Energy Regulatory Commission to investigate Ashland Exploration, Inc.'s (Ashland) refusal to provide service to homeowners under Section 278.485 of Kentucky Revised Statutes (KRS 278.485).

Before the Natural Gas Wellhead Decontrol Act of 1989 (Decontrol Act) was enacted, it was necessary for Ashland, and all other sellers making first sales of natural gas, to obtain abandonment authorization from this Commission under the Natural Gas Act before gas that was dedicated to interstate commerce could be delivered to homeowners under KRS 278.485. However, the Decontrol Act removed this Commission's Natural Gas Act jurisdiction over first sales of natural gas as of January 1, 1993. Therefore, first sellers such as Ashland are no longer required to receive abandonment authorization from this Commission before delivering gas to homeowners under KRS 278.485.

Since we no longer have jurisdiction over Ashland's sales, the question of whether Ashland is required to provide service under KRS 278.485 is a matter to be addressed by the Kentucky Public Service Commission. Accordingly, I am sending a copy of your letter and my response to the Kentucky Public Service Commission. Should you wish to contact them directly, the address and telephone number are: 730 Schenkel Lane (P.O. Box 615), Frankfort, KY 40602, (502) 564-3940.

I hope this information is helpful. If I can be of future assistance in any Commission matter, please let me know.

Sincerely,



Rebecca F. Schaffer
Director
Office of External Affairs