

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF B.T.U.)
PIPELINE, INC. TO ESTABLISH) CASE NO. 95-103
RATES AND CONDITIONS FOR SERVICE)

O R D E R

On January 17, 1995, B.T.U. Pipeline, Inc. ("B.T.U.") filed its tariff to establish rates and conditions for service as a gas distribution utility. On March 17, 1995, the Commission suspended the proposed tariff to determine the reasonableness of the tariff filing. In response to Orders of the Commission dated June 6, 1995 and August 18, 1995, B.T.U. filed responses to information requests and clarifications to its proposed tariff, along with its current chart of accounts.

The Commission finds that the revised tariff filed October 25, 1995, should be approved with the following exceptions and modifications:

1. The bill format provided in response 2(a) to the Commission's June 6, 1995 Order shall be included as a sheet of B.T.U.'s tariff.
2. The language concerning customer deposits should state how long the deposit will be retained and whether the interest will be refunded or credited to customers' bills.
3. All reconnection charges should be \$25, which B.T.U. originally stated was the amount of its reconnect charge. If B.T.U. wishes to increase reconnect charges after

termination for nonpayment of bills from \$25 to \$35 or increase reconnect charges for re-establishing service within 12 months from \$25 to \$50, it must file cost support to do so.

4. The transfer charge may not be included in B.T.U.'s tariff without adequate cost support. This appears to be a new charge instituted by B.T.U., and was not in its initial proposed tariff and was not mentioned in data responses dealing with existing special charges.

5. The \$15 returned check charge should be set out separately from the Service Charge section.

6. The reference to KRS 74.050 should be deleted from the Deposits section; it is inapplicable to deposits.

7. Cite Section 14 instead of Section 11 in the Discontinuance of Service section.

8. The following sentence should be deleted from the Monthly Bills section: "The customer will be sent a delinquent notice not less than 5 days before termination." This is contrary to the provisions of 807 KAR 5:006, Section 14.

9. The section entitled "Monitoring of Customer Usage" should be amended to include the table referenced in paragraph three.

10. B.T.U. should adopt a standard heating value (B.T.U. content) for its gas pursuant to 807 KAR 5:022, Section 16(2), and include it as part of its tariff.

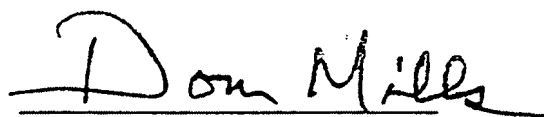
11. B.T.U. should adopt a standard pressure measured at the customer's meter outlet pursuant to 807 KAR 5:022, Section 13(14), and include it as part of its tariff.

IT IS HEREBY ORDERED that within 30 days of the date of this Order, B.T.U. shall file its tariff in conformity with the exceptions and modifications contained herein.

Done at Frankfort, Kentucky, this 19th day of July, 1996.

By the Commission

ATTEST:

A handwritten signature in cursive script that reads "Don Mills". The signature is written in dark ink and is positioned above the printed name.

Executive Director

B.T.U. Pipeline, Inc.

P.O. BOX 242
SALYERSVILLE, KENTUCKY 41465

PHONE 606-349-1096
606-349-1097

FAX 606/349-1510

July 19, 1995

Public Service Commission
Hon. Don Mills
Executive Director
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

RECEIVED

JUL 25 1995

PUBLIC SERVICE
COMMISSION

RE: Response to Order Case No. 95-103

Hon. Don Mills;

In response to the Commission's Order, Case No. 95-103 of June 6, 1995, B.T.U. would like to respond in the following manner:

1. B.T.U.'s tap fee is a non-refundable charge for hooking new customers up. This is a one time charge that is for the purpose of construction of the service line, all connections for this service line, tap and materials required.

B. Once the tap and service line are installed and connected to the main line, the service line becomes the property of the homeowner. The gas company then provides the regulator and gas meter. This justifies in our opinion a tap fee charge.

2. Tariff language to comply with the following provisions of 807 KAR 5:006:

- a) Bill format - See attached copy of B.T.U billing card
- b) B.T.U.'s bills are rendered monthly. B.T.U. shall if actual usage data is not available, calculate deposits using average usage of similar customers. The required deposit shall not exceed 2/12ths of actual or estimated bill.

c) B.T.U.'s usual requirement of all customers is to put up a \$100.00 gas deposit.

d) Concerning special charges. There is no turn on charge. If gas service has been terminated for non-payment there is a \$25.00 reconnect fee.

If a representative of the gas company makes a trip to a residence for the purpose of termination for non-payment and the resident pays the bill instead of termination there is a charge of \$25.00. Other charges by B.T.U. are, \$15.00 for return check and a 10% late penalty for all bills paid after due date.

e) B.T.U. regularly monitors customer usage. B.T.U., at its own expense takes steps necessary to monitor this usage.

f) B.T.U. does not have a budget plan for customers.

3. Chart of accounts in conformity with Uniform System of Accounts (USoA) for Natural gas utilities. B.T.U. is not familiar with any ("USoA") for natural gas utilities. Will supply answers to you once I receive explanation of ("USoA") established by the Public Service Commission for gas utilities.

4. B.T.U. was declared a gas distribution utility pursuant to KRS 278.010 (3)(b) by the Commission. B.T.U. Balance Sheets in accordance with ("USoA"). (See answer 3 above)

5. The Royalton system was already in production when B.T.U. purchased it. The customers of the Royalton system paid for laying of lines, taps, regulators and all necessary materials and connections. That is why B.T.U. feels they should be grandfathered in at \$4.50 rate as previously testified to.

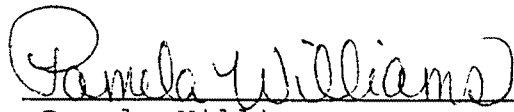
6. B.T.U. never considered a single rate for all

residential customers.

7. B.T.U.'s current cost of gas per MCF is \$3.10 per MCF. The price does not fluctuate. B.T.U. will not be proposing a purchased gas adjustment clause at this time.

8. The proposed rates in this filing are the same B.T.U. charged when supplying only farm tap service.

Respectfully Submitted


Pamela Williams