

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT PETITION OF MIKE LITTLE GAS)	
COMPANY, INC. AND PEOPLE'S GAS)	CASE NO.
COMPANY, INC. FOR THE TRANSFER OF)	2001-027
GAS TRANSMISSION FACILITIES AND JOINT)	
MOTION FOR RELIEF FROM COMPLIANCE)	
SCHEDULE)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO PEOPLE'S GAS COMPANY, INC.

People's Gas Company, Inc. ("People's"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 20, 2001. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. In Case No. 99-267,¹ as part of a settlement agreement with the Commission, Mike Little Gas Company, Inc. ("Mike Little") filed with the Commission on October 4, 1999 its compliance schedule titled "Supplemental Response," in which it outlined its Phelps system and pipeline replacement. Mike Little stated that most of that pipe, which is 3-inch, will be replaced by insertion. Mike Little stated it planned to start immediately to replace pipeline and to contract out other line replacement and that a

¹ Case No. 99-267, Investigation into Alleged Violations of 807 KAR 5:022, Sections 10(8); 10(9); 13(17)g; 14(12); 14(13); 14(21); 14(21)b; 14(23); and 14(25) and 49 CRF 192.463; 192.465; 192.625(f); 192.721; 192.739; 192.743; and, 192.747.

realistic completion goal was no later than the fall of 2001. In a letter to the Commission filed July 31, 2000, Mike Little reported that it had received bids on the pipeline replacement project, with construction scheduled to begin July 1, 2000.

a. Is it People's intention to comply with the construction schedule contained in the Mike Little "Supplemental Response," a copy of which is attached hereto?

b. Does People's have a specific schedule for the replacement of the steel pipe in the Phelps system? If so, provide a copy of the replacement schedule.

2. The joint petition filed on February 13, 2001 listed the acquirer as People's Gas Company, Inc. The articles of incorporation are for People's Gas Inc. State the correct name of the utility.

3. Answer the following questions about People's as they relate to its structure subsequent to incorporation on October 5, 2000:

a. What is the office address of People's?

b. State the names of the officers of People's, with specific designation of each officer with experience in the operation of a natural gas distribution company.

c. What is the name of the corporate officer responsible for regulatory compliance?

4. Provide the estimated operating costs, aside from the gas and pipeline replacement costs, that People's expects to incur in operating the Phelps system.

5. Does People's have an estimate of the cost to replace the Phelps system pipeline? If so, attach a written copy of said estimate and explain how People's plans to finance the cost.

6. Does People's expect to operate the system at existing rates or does People's expect to request a rate increase after the purchase of the Phelps system? Explain.

7. Has People's made any financial or contractual agreements with Mike Little's current gas supplier for the Phelps system? Does People's plan to continue to buy gas from this supplier? If no, state the identity of the expected future supplier and explain the arrangements that have been made for an adequate gas supply.

8. Provide a copy of each and every document relating to the agreement between Mike Little and People's for the transfer of the Phelps facilities.

9. Explain how the purchase price was determined for the Phelps system. Provide cost support obtained by People's for the purchase price.

10. Explain how People's Gas will finance the purchase of the Phelps system. Include copies of any loan agreements, mortgages or other documentation of the proposed financing.

11. If there is an acquisition premium on the purchase, explain how People's plans to account for it.

12. Provide the most recent balance sheet and income statement available for People's.

13. What is the current maximum operating pressure (“MAOP”) of the Phelps gas distribution system? What will be the MAOP of the system after the scheduled repairs or replacement?

14. Has People’s selected a certified contractor or contractors who will install the pipe?

a. Provide a copy of each certification.

b. Does People’s have written procedures for the installation of plastic pipe?

15. If steel pipe is to be replaced with steel, state whether People’s has a written procedure for installing steel pipe.

16. Have welders been certified under said written program to weld steel gas lines?

17. Will People’s have an office and an employee experienced in the operation of a natural gas distribution company located at Phelps, Kentucky?

a. If none, provide the office location proposed to serve the Phelps area and the estimated time required to answer service or emergency calls from said area.

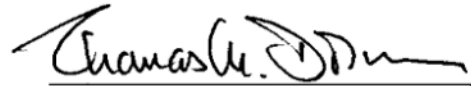
b. Provide the names of employees of People’s who will answer service calls.

18. Is People’s aware that after April 27, 2001 each gas company must have a written procedure for operator qualification to operate a gas system?

19. Is People's aware that, if the Phelps system is transferred, said system must be in compliance with Commission regulations and the scheduled pipeline replacement will be required?

20. Provide the journal entries that will be used to record the purchase of the assets on People's financial statements.

21. If the financing will involve issuing an evidence of indebtedness, explain whether People's would need Commission approval under KRS 278.300 before obtaining financing.



Thomas M. Dorman
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DATED 3/8/2001
cc: All Parties