

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF SIGMA GAS) CASE NO.
CORPORATION TO INCUR DEBT) 2004-00289

INITIAL DATA REQUEST OF COMMISSION STAFF
TO SIGMA GAS CORPORATION

Sigma Gas Corporation (“Sigma”), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the date of this request. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. 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. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to Exhibit 1, Commonwealth of Kentucky Transportation Cabinet Agreement (“Agreement”).

a. Provide the timetable for the Transportation Cabinet’s (“Transportation”) relocation of Sigma’s gas lines.

b. Provide the date of Sigma’s first payment under the Agreement.

c. If no payment has been made yet, when does Sigma anticipate making its first payment?

d. Explain how Sigma is or will be financing the \$8,328.70 annual payment, i.e., loan, internally generated funds.

e. Explain whether Sigma will experience a problem connecting the relocated pipe as a result of the difference between the metric dimensions quoted in the agreement and the Sigma pipes which are in inches.

2. Refer to page 2 of the Agreement.

a. The Agreement states that the facilities will be relocated as designed by Sigma and shown on Transportation's survey and general plan sheets. Provide a copy of the survey and general plan sheets, a map showing the 1,894 meters that Sigma will abandon and a map of the new lines that will replace them. If not clearly shown on the map, state whether the lines will be located on highway rights-of-way or private rights-of-way.

b. The Agreement states that Transportation may recommend approval of this project to the Federal Highway Administration for construction with funds apportioned to it under the Federal Aid Highway Acts. If known, state whether Transportation recommended the project to the Federal Highway Administration and the dollar amount of any funds apportioned to the project.

3. Refer to page 3 of the Agreement, Section II. The Agreement states that Sigma's gas lines will be relocated in such a manner that its service to consumers will not be unreasonably affected. Provide an estimate of the time that service was or will be interrupted and the effect on Sigma's revenues.

4. Refer to page 5 of the Agreement. Section III and IV describe costs that Sigma can recover. Explain the difference between the costs that Sigma may invoice to Transportation and the costs that Transportation may invoice to Sigma.

5. Refer to the "Estimate for Gas Line Relocation for the U.S. 460 Salyersville-Paintsville Road Project No. FSP077 0460 011-013 OSTPR 0460 3 (89)." The estimate states that prices were based on 1998 adjusted average unit bid price and that it was last revised on February 9, 2000. Provide any revisions of this estimate since February 9, 2000.

6. Refer to Exhibit II and III, Long-Term Debt, Notes Payable and Interest Accrued.

a. Provide the effective date of the exhibits.

b. Explain why Sigma paid no interest to the Department for Local Government or to the KISU Service Co., Inc. during the period covered by these exhibits.

8. Refer to Exhibit IV.

a. Sigma's annual reports for 2002 and 2003 show a net loss of \$65,376 and \$64,441 respectively. The Statement of Income provided in Exhibit IV shows a net loss of \$112,532 for the three months ended March 31, 2004. Describe the anticipated effect of the annual \$8,328.70 payment on Sigma's financial condition.

b. Provide the information in this exhibit for the six-month period ending June 30, 2004.

c. Refer to the Comparative Statements of Income for the three months ended March 31, 2004.

(1) In January 2004, Sigma had \$123,856 in expenses for injuries and damages. Explain the nature of the expense.

(2) In January, Sigma paid \$4,930 for "Interest-Other." Identify the recipient of the payment and explain why Sigma did not pay interest in February or March.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED: September 3, 2004

cc All Parties