

April 15, 2011

Mr. Jeff Derouen
Executive Director
Public Service Commission
Commonwealth of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RECEIVED

APR 15 2011

PUBLIC SERVICE
COMMISSION

RE: Case No. 2011-00086

Dear Mr. Derouen,

Enclosed for docketing with the Commission is an original and ten (10) copies of Columbia Gas of Kentucky, Inc.'s Response to the Commission's First Set of Data Requests in the above case. Should you have any questions about this filing, please contact me at 614-460-5558. Thank you!

Sincerely,



Brooke E. Leslie
Counsel

Enclosures

cc: Hon. Richard S. Taylor

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST DATA REQUEST OF COMMISSION STAFF**

Data Request 001:

Refer to Columbia's application, AMRP Form 1.0.

- a. Provide calculations producing the billing determinants for each of the Rate Schedules shown in the column labeled "Billing Determinant # of Bills."
- b. Explain the basis for the customer losses Columbia is projecting through May 31, 2012.

Response:

- a. Attachment PSC-1 DR 001-a shows projected monthly bills for each Rate Schedule. The number of bills is further detailed by billing system (DIS, GMB, and GTS) and type (tariff sales, Choice, and GTS). The projections of bills are based on Columbia's forecast. The forecast starts with actual bill counts and applies information for new customers and conversions, as well as attrition.
- b. Columbia has experienced a year over year loss of residential and commercial customers. There are a number of possible reasons contributing to the customer losses including:
 - competition from low cost electricity,
 - heat pumps perform well in the Kentucky climate,
 - builders and developers seeking low first costs avoid the added cost of installing gas lines,
 - weak housing market and the economic slow down.

Columbia Gas of Kentucky
AMRP Rider Billing Determinants by Rate Schedule
For the Twelve Months Ending May 31, 2012

PSC-1
DR 001-a

<u>Rate Schedule</u>	<u>Number of Bills</u>												<u>Total</u>
	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	
GSR - Residential	90,215	89,606	89,426	89,392	89,787	90,840	91,669	92,323	92,379	92,156	91,462	90,518	1,089,773
SVGTS - Residential	28,363	28,171	28,114	28,104	28,228	28,559	28,819	29,025	29,042	28,972	28,755	28,458	342,610
GSO - Commercial or Industrial	10,335	10,259	10,229	10,198	10,211	10,331	10,410	10,506	10,519	10,494	10,414	10,311	124,217
GDS - Commercial or Industrial	31	31	31	31	31	31	31	31	31	31	31	31	372
SVGTS - Commercial or Industrial	3,409	3,383	3,373	3,364	3,368	3,407	3,433	3,464	3,469	3,461	3,435	3,401	40,967
IUS, IUDS	1	1	1	2	2	2	2	2	2	2	2	2	21
IS, DS	67	67	67	67	67	67	67	67	67	67	67	67	804
SAS	1	1	1	1	1	1	1	1	1	1	1	1	12
Total	132,422	131,519	131,242	131,159	131,695	133,238	134,432	135,419	135,510	135,184	134,167	132,789	1,598,776
Detail by billing system and type of service													
<i>DIS Tariff</i>													
GSO	10,252	10,178	10,146	10,115	10,128	10,248	10,326	10,420	10,433	10,406	10,326	10,223	123,201
GSR	90,215	89,606	89,426	89,392	89,787	90,840	91,669	92,323	92,379	92,156	91,462	90,518	1,089,773
<i>DIS Choice</i>													
GTO	3,370	3,344	3,335	3,325	3,329	3,366	3,391	3,423	3,429	3,420	3,394	3,360	40,486
GTR	28,363	28,171	28,114	28,104	28,228	28,559	28,819	29,025	29,042	28,972	28,755	28,458	342,610
<i>GMB Tariff</i>													
GSO	83	81	83	83	83	83	84	86	86	88	88	88	1,016
IUS	1	1	1	2	2	2	2	2	2	2	2	2	21
<i>GMB Choice</i>													
GTO	39	39	38	39	39	41	42	41	40	41	41	41	481
<i>GTS</i>													
DS	67	67	67	67	67	67	67	67	67	67	67	67	804
GDS	31	31	31	31	31	31	31	31	31	31	31	31	372
SAS	1	1	1	1	1	1	1	1	1	1	1	1	12
Total	132,422	131,519	131,242	131,159	131,695	133,238	134,432	135,419	135,510	135,184	134,167	132,789	1,598,776

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST DATA REQUEST OF COMMISSION STAFF**

Data Request 002:

Refer to Line 1, Column 6, on AMRP Form 2.0.

- a. Provide a breakdown of the 2010 additions to Account 376.25, Mains-AMRP, showing the length of pipe for each size of pipe installed.
- b. For each size of pipe installed, as identified in the response to part a. of this request, provide a breakdown of the installed cost showing separately the cost of materials, the cost of labor, and any other non-materials items.

Response:

Please see the attachments titled, "Attachment I - Case No 2011-00086 - Staff Set 2a-b" for the requested supporting documentation.

Columbia Gas of Kentucky
 Accelerated Main Replacement Program
 2010 Main Line Projects Submitted for Recovery
 with Length and Size of Pipe Installed

Work Order	2010 Charges	1 1/4"	2"	3"	4"	6"	8"	12"	Total Length
00557.WP1932.2623	823.37 *								-
00557.WP2286.2631	383.60 *								-
00557.WP2525.2629	- *								-
00557.WP2567.2621	147,591.87				546				546
00557.WP2698.2631	1,013.12 *								-
00557.WP2704.2633	238.68 *								-
00557.WP2728.2621	- *								-
00557.WP2860.2621	- *								-
00557.WP2872.2621	- *								-
00557.WP2905.2621	- *								-
00557.WP2929.2621	- *								-
00557.WP2931.2629	- *								-
00557.WP2955.2621	22,218.79				127				127
00557.WP2957.2621	16,173.20				97				97
00557.WP2964.2623	80,502.53			38	123	203			364
00557.WP2967.2621	- *								-
00557.WP2969.2621	- *								-
00557.WP2971.2621	4,692.89			39					39
00557.WP3002.2631	113,514.33				2,029				2,029
00557.WP3017.2631	60,163.77			345	400				745
00557.WP3023.2621	- *								-
00557.WP3026.2621	- *								-
00557.WP3058.2623	16,198.54				1				1
00557.WP3073.2621	41,722.13			778					778
00557.WP3085.2633	4,582.36 *								-
00557.WP3095.2621	60,134.15			81	28		178		287
00557.WP3103.2633	- *								-
00557.WP3164.2621	28,545.25				56				56
00557.WP3173.2631	36,654.03			523	2				525
00557.WP3258.2621	50,686.17				7		88		95
00557.WP3264.2621	28,064.40			115		31			146
00557.WP3274.2621	26,143.89			215					215
00557.WP3276.2621	350,277.49							750	750
00557.WP3300.2631	18,958.66				154				154
00557.WP3328.2621	4,887.63			33					33
00557.WP3338.2631	18,987.28				380				380
00557.WP3352.2631	54,851.10			405	1,440				1,845
00557.WP3393.2621	9,604.09			28					28
00557.WP3400.2629	84,616.04						2,850		2,850

**Columbia Gas of Kentucky
Accelerated Main Replacement Program
2010 Main Line Projects Submitted for Recovery
with Length and Size of Pipe Installed**

Work Order	2010 Charges	1 1/4"	2"	3"	4"	6"	8"	12"	Total Length		
00557.WP3439.2621	45,057.58			80					80		
00557.WP3446.2621	6,728.06					99			99		
00557.WP3474.2621	83,671.68			632		1,150			1,782		
00561.WP2619.2621	233,938.15					88	1,640	5	1,733		
00561.WP2679.2629	(11,316.84) *								-		
00561.WP2799.2629	5,244.63 *								-		
00561.WP2892.2621	- *								-		
00561.WP2901.2629	326,284.23							710	710		
00561.WP2916.2621	9,662.56 *								-		
00561.WP3000.2621	- *								-		
00561.WP3034.2621	- *								-		
00561.WP3038.2631	21,308.94			402					402		
00561.WP3082.2621	212.82 *								-		
00561.WP3135.2621	133,612.02		2,769		367				3,136		
00561.WP3212.2621	76,759.53					287	31		318		
00561.WP3233.2623	100,137.64		2,800						2,800		
00561.WP3243.2621	128,344.89						1,036		1,036		
00565.WP3201.2633	7,266.23			1					1		
00565.WP3302.2621	12,725.31			1					1		
00595.WP3108.2629	14,477.51 **								-		
00595.WP3109.2629	18,151.45 **								-		
07803.WP2313.2621	- *								-		
07807.WP2343.2629	(42,398.29) *								-		
07813.WP2479.2631	23,952.92 *								-		
07901.WP2984.2629	151,219.78			154			2,047		2,201		
07905.WP2845.2621	212,000.14		3,779						3,779		
07909.WP2675.2623	0.00 *								-		
07913.WP2663.2621	1,366.58 *								-		
07919.WP2726.2621	0.00 *								-		
07923.WP2737.2631	62,940.61				733				733		
07925.WP3355.2623	425,825.35							2,050	2,050		
Grand Total	3,329,402.84	Total Length	Per Pipe Size	-	12,154	1,187	6,757	3,108	6,235	3,510	32,951

* Additional charge to previously closed project only. Footage was provided with 2010 filing

** AMRP Corrosion Mitigation Projects

**Columbia Gas of Kentucky
Accelerated Main Replacement Program
2010 Main Line Projects Submitted for Recovery
w/ Breakdown of Charges per Project**

Case NO. 2011-00086
Staff Set 2b

Work Order	2010 Charges
00557.WP1932.2623	823
Cost of Materials	-
Cost of Labor	473
Non-Material Items	350
00557.WP2286.2631	384
Cost of Materials	280
Cost of Labor	-
Non-Material Items	104
00557.WP2567.2621	147,592
Cost of Materials	18,729
Cost of Labor	29,232
Non-Material Items	99,631
00557.WP2698.2631	1,013
Cost of Materials	-
Cost of Labor	-
Non-Material Items	1,013
00557.WP2704.2633	239
Cost of Materials	(147)
Cost of Labor	278
Non-Material Items	108
00557.WP2955.2621	22,219
Cost of Materials	1,531
Cost of Labor	4,155
Non-Material Items	16,533
00557.WP2957.2621	16,173
Cost of Materials	1,506
Cost of Labor	3,348
Non-Material Items	11,319
00557.WP2964.2623	80,503
Cost of Materials	3,639
Cost of Labor	12,803
Non-Material Items	64,061
00557.WP2971.2621	4,693
Cost of Materials	766
Cost of Labor	681
Non-Material Items	3,246
00557.WP3002.2631	113,514
Cost of Materials	6,277
Cost of Labor	16,502
Non-Material Items	90,735
00557.WP3017.2631	60,164
Cost of Materials	3,089
Cost of Labor	8,479
Non-Material Items	48,596

**Columbia Gas of Kentucky
Accelerated Main Replacement Program
2010 Main Line Projects Submitted for Recovery
w/ Breakdown of Charges per Project**

Case NO. 2011-00086
Staff Set 2b

Work Order	2010 Charges
00557.WP3058.2623	16,199
Cost of Materials	1,040
Cost of Labor	2,386
Non-Material Items	12,773
00557.WP3073.2621	41,722
Cost of Materials	1,043
Cost of Labor	10,465
Non-Material Items	30,213
00557.WP3085.2633	4,582
Cost of Materials	-
Cost of Labor	2,875
Non-Material Items	1,707
00557.WP3095.2621	60,134
Cost of Materials	5,892
Cost of Labor	13,734
Non-Material Items	40,508
00557.WP3164.2621	28,545
Cost of Materials	1,526
Cost of Labor	2,144
Non-Material Items	24,876
00557.WP3173.2631	36,654
Cost of Materials	724
Cost of Labor	4,005
Non-Material Items	31,926
00557.WP3258.2621	50,686
Cost of Materials	5,530
Cost of Labor	7,953
Non-Material Items	37,203
00557.WP3264.2621	28,064
Cost of Materials	1,544
Cost of Labor	7,197
Non-Material Items	19,324
00557.WP3274.2621	26,144
Cost of Materials	1,212
Cost of Labor	4,388
Non-Material Items	20,544
00557.WP3276.2621	350,277
Cost of Materials	87,438
Cost of Labor	23,873
Non-Material Items	238,966
00557.WP3300.2631	18,959
Cost of Materials	2,563
Cost of Labor	5,587
Non-Material Items	10,809

**Columbia Gas of Kentucky
Accelerated Main Replacement Program
2010 Main Line Projects Submitted for Recovery
w/ Breakdown of Charges per Project**

Case NO. 2011-00086
Staff Set 2b

Work Order	2010 Charges
00557.WP3328.2621	4,888
Cost of Materials	1,049
Cost of Labor	661
Non-Material Items	3,178
00557.WP3338.2631	18,987
Cost of Materials	2,192
Cost of Labor	1,383
Non-Material Items	15,413
00557.WP3352.2631	54,851
Cost of Materials	4,543
Cost of Labor	7,915
Non-Material Items	42,393
00557.WP3393.2621	9,604
Cost of Materials	559
Cost of Labor	2,412
Non-Material Items	6,633
00557.WP3400.2629	84,616
Cost of Materials	23,766
Cost of Labor	9,044
Non-Material Items	51,806
00557.WP3439.2621	45,058
Cost of Materials	1,739
Cost of Labor	18,310
Non-Material Items	25,008
00557.WP3446.2621	6,728
Cost of Materials	658
Cost of Labor	1,248
Non-Material Items	4,821
00557.WP3474.2621	83,672
Cost of Materials	6,750
Cost of Labor	6,468
Non-Material Items	70,453
00561.WP2619.2621	233,938
Cost of Materials	18,198
Cost of Labor	30,259
Non-Material Items	185,482
00561.WP2679.2629	(11,317)
Cost of Materials	-
Cost of Labor	127
Non-Material Items	(11,444)

**Columbia Gas of Kentucky
Accelerated Main Replacement Program
2010 Main Line Projects Submitted for Recovery
w/ Breakdown of Charges per Project**

Case NO. 2011-00086
Staff Set 2b

Work Order	2010 Charges
00561.WP2799.2629	5,245
Cost of Materials	-
Cost of Labor	-
Non-Material Items	5,245
00561.WP2901.2629	326,284
Cost of Materials	88,440
Cost of Labor	37,332
Non-Material Items	200,513
00561.WP2916.2621	9,663
Cost of Materials	21
Cost of Labor	943
Non-Material Items	8,698
00561.WP3038.2631	21,309
Cost of Materials	849
Cost of Labor	3,450
Non-Material Items	17,011
00561.WP3082.2621	213
Cost of Materials	-
Cost of Labor	127
Non-Material Items	86
00561.WP3135.2621	133,612
Cost of Materials	6,758
Cost of Labor	23,128
Non-Material Items	103,725
00561.WP3212.2621	76,760
Cost of Materials	9,160
Cost of Labor	17,198
Non-Material Items	50,401
00561.WP3233.2623	100,138
Cost of Materials	6,021
Cost of Labor	25,127
Non-Material Items	68,989
00561.WP3243.2621	128,345
Cost of Materials	24,157
Cost of Labor	17,934
Non-Material Items	86,254
00565.WP3201.2633	7,266
Cost of Materials	960
Cost of Labor	2,933
Non-Material Items	3,373

**Columbia Gas of Kentucky
Accelerated Main Replacement Program
2010 Main Line Projects Submitted for Recovery
w/ Breakdown of Charges per Project**

Case NO. 2011-00086
Staff Set 2b

Work Order	2010 Charges
00565.WP3302.2621	12,725
Cost of Materials	857
Cost of Labor	2,235
Non-Material Items	9,634
00595.WP3108.2629	14,478
Cost of Materials	1,947
Cost of Labor	5,451
Non-Material Items	7,079
00595.WP3109.2629	18,151
Cost of Materials	2,253
Cost of Labor	7,530
Non-Material Items	8,369
07807.WP2343.2629	(42,398)
Cost of Materials	-
Cost of Labor	-
Non-Material Items	(42,398)
07813.WP2479.2631	23,953
Cost of Materials	-
Cost of Labor	-
Non-Material Items	23,953
07901.WP2984.2629	151,220
Cost of Materials	22,152
Cost of Labor	26,187
Non-Material Items	102,880
07905.WP2845.2621	212,000
Cost of Materials	4,667
Cost of Labor	21,708
Non-Material Items	185,626
07913.WP2663.2621	1,367
Cost of Materials	-
Cost of Labor	-
Non-Material Items	1,367
07923.WP2737.2631	62,941
Cost of Materials	2,825
Cost of Labor	7,579
Non-Material Items	52,536
07925.WP3355.2623	425,825
Cost of Materials	171,396
Cost of Labor	34,023
Non-Material Items	220,406
Grand Total	<u><u>3,329,403</u></u>

PSC Case No. 2011-00086
Staff Set 1 DR No. 003
Respondent: Lon R. Patton

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST DATA REQUEST OF COMMISSION STAFF**

Data Request 003:

Refer to Line 3, Column 6, on AMRP Form 2.0. Provide details of the 2010 additions to Account 380.25, Service Lines, including number of lines and associated costs.

Response:

Please see the attachments titled, "Attachment I - Case No 2011-00086 - Staff Set 3" for the requested supporting documentation.

2010 AMRP Service Line Replacement Activity

Number of AMRP Service Lines Replaced - Quantity	1307
Cost of Material	\$347,333
Cost of Labor	\$631,002
Non-Materials	\$1,768,166
Total Service Line Replacement Costs	\$2,746,501
Less: Amount Not AMRP Eligible	<u>(\$123,593)</u>
Total Replacement Costs Eligible for Recovery	<u><u>\$2,622,908</u></u>

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST DATA REQUEST OF COMMISSION STAFF

Data Request 004:

Identify generally the locations of the major main replacements that occurred in 2010 and describe how those specific projects were selected and prioritized.

Response:

Columbia conducted 10 major main replacement projects in 2010: five in Fayette County, two in Franklin County, two in Clark County, and one in Greenup County.

In 2010, Columbia utilized Optimain DS™ to help evaluate and rank pipe segments system-wide against a range of environmental conditions (e.g. population density, building class, surface cover type, etc.), risk factors (pipe segment leak history, pipe condition, pitting depth, depth of cover, etc.) and economic factors. In general, we identified, ranked and selected projects based on the level of relative risk. This evaluation and risk ranking of pipe segments was then reviewed by the engineering and operations departments to assess whether that data was consistent with what has been observed in the field. In addition, Columbia worked collaboratively with local and state governments in areas where public improvement work was to occur. Columbia reviewed plans and identified areas of priority pipe within the scope of pending public improvement work. Columbia used both sets of information listed above to help determine which sections of main were the best candidates to select for replacement.