

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF COLUMBIA GAS OF) CASE NO. 2016-00060
KENTUCKY, INC.)

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
COLUMBIA GAS OF KENTUCKY, INC.

Columbia Gas of Kentucky, Inc. ("Columbia"), 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 within seven days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Columbia shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Columbia fails or refuses to furnish all or part of the requested information, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Columbia shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the cover letter attached to the application.
 - a. Explain in detail how Columbia adjusted the methodology for projecting its Expected Gas Cost, and provide calculations showing the impact of the change going forward.
 - b. Explain Columbia's position regarding a possible change from the annual calculation of its Actual Cost Adjustment ("ACA") to a quarterly calculation, which was also discussed at the December 9, 2015 Informal Conference referenced in the cover letter. The explanation should include any support Columbia can provide for the continuing reasonableness of an annual calculation.
 - c. Explain Columbia's position regarding a possible change from the semi-annual calculation of its Balancing Adjustment ("BA") to a quarterly calculation. The explanation should include any support it can provide for the continuing reasonableness of a semi-annual calculation.
 - d. In the event that the Commission finds that quarterly calculations are more appropriate than Columbia's current annual calculation of its ACA and semi-

annual calculation of its BA, provide a suggested filing time frame to implement such a change.

2. Refer to the Application, Schedule No. 1, Sheet 3, and the Third Party Payment Agreement ("Agreement") that is included with the Pipeline Company Tariff Sheets.

a. Provide a detailed explanation of the circumstances giving rise to the increase in annual demand cost from Central Kentucky Transmission Company ("CKT") as a result of the Agreement. The explanation should include a discussion of the amendments to the operating agreement between CKT and Columbia Gas Transmission, LLC ("TCO").

b. Explain the new charges referenced in paragraph C of the Agreement and whether these charges appear on the TCO tariff sheets approved by the Federal Energy Regulatory Commission ("FERC") and included with the Application.

c. Refer to paragraph D of the Agreement. Explain Columbia's decision to pay the increased charges directly to TCO as opposed to having CKT file with the FERC to increase its tariff rates.



James W. Gardner
Acting Executive Director
Public Service Commission
P.O. Box 615
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DATED **FEB 15 2016**

cc: Parties of Record

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