

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF)
COLUMBIA GAS OF KENTUCKY, INC.) CASE NO. 8738

O R D E R

IT IS ORDERED that Columbia Gas of Kentucky, Inc., shall file an original and 12 copies of the following information with the Commission by April 25, 1983. Each copy of the data requested should contain an index of the information provided and 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 witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Who is the counsel that represents Columbia of Kentucky when intervening before FERC? What has been the total amount of

compensation paid to this counsel for each of the last 3 years for representing Columbia of Kentucky before FERC? What other Columbia companies does the counsel represent? What cases has Columbia of Kentucky intervened in at FERC in the last 3 years? What position has Columbia of Kentucky taken in opposition to increases proposed by other Columbia companies?

2. On which other Columbia boards do the members of Columbia of Kentucky's Board of Directors serve? How often are Columbia of Kentucky board meetings held? What is the amount of compensation paid to each director for each meeting? Where are the board meetings held? Are other Columbia company board meetings held at the same time (within 1 week) and place? Where is each member of Columbia of Kentucky's Board of Directors employed? Provide a copy of the minutes of the last Board of Directors meetings for the last 3 years.

3. Since Columbia Transmission Corporation is claiming "force majeure" to attempt to void certain of its contracts with its suppliers, has Columbia of Kentucky considered a similar effort to void its LNG and SNG contracts with Columbia Transmission Corporation? If not, provide a detailed explanation of why no action has been taken. Would a prudent non-regulated company with no vertical or lateral ties to the companies with which it does business have taken similar actions?

4. Provide a copy of any and all demand forecasts (either from the past or currently existing) based on the price of natural gas and the price and availability of alternate fuels supplied by Columbia of Kentucky to Columbia Gas Transmission

Corporation, plus the assumptions and methods used to incorporate the effects of conservation into the forecasts.

5. Provide a copy of any studies or other data which lead Columbia of Kentucky to believe that No. 2 fuel oil and not No. 6 fuel oil would be the predominant alternative fuel source for the customers in Columbia of Kentucky's service area? What is actually the more prominent alternative fuel source in the service area of Columbia of Kentucky?

6. Provide a copy of the contract of Columbia of West Virginia with the Columbia Transmission Corporation.

7. Do Columbia of Kentucky's contracts with Columbia Transmission Corporation effectively eliminate Columbia of Kentucky's ability to purchase locally produced gas at cost efficient prices? If no, why does Columbia of Kentucky not attempt to purchase greater volumes of locally produced gas? If yes, what steps is Columbia of Kentucky taking to be able to purchase greater volumes of cheaper locally produced gas? Who is the supplier for the locally produced gas that Columbia of Kentucky does purchase?

8. What are the differences between the labor contracts negotiated by Columbia of Kentucky and those negotiated by other Columbia companies?

9. Provide the total amount of increased revenue requested as a result of decreased projected sales. Show all revenue and expense calculations affecting this analysis. What percentage of the total original request of 9.6 million is due to decreased sales?

10. How much total revenue does Columbia estimate it has lost for the test period and for each of the 3 years prior to the test period as a result of the conversion to alternate fuels of its industrial customers? Also provide an estimate of how much revenue Columbia will lose in 1983 due to industrial conversion to alternate fuels. Provide any analyses or studies performed regarding such losses.

11. Does Columbia have any information which would indicate that any of the projected decreases in sales for 1983 are due in part to the increase requested in this case? If so, provide an estimate of how much of the decrease in volume is due to this request.

12. Provide explanations for the projected 1983 decrease in gas purchases by the following purchasers:

- (a) IBM
- (b) Calgon
- (c) Sylvania
- (d) Kentucky Glassworks (GE)
- (e) UK Physical Plant
- (f) Ancient Age Distillers

13. Reconcile the difference between the earnings per share and book value per share numbers for 1977, supplied in item 35 of the second staff request, and the 1977 annual figures supplied in response item 4B of the first staff request.

Done at Frankfort, Kentucky, this 14th day of April, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary