

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF BLUEGRASS GAS)
SALES, INC. FOR TARIFF CHANGE) CASE NO. 2003-00136
RELATED TO OWNERSHIP OF)
GAS SERVICE LINES)

FIRST DATA REQUEST OF COMMISSION STAFF
TO BLUEGRASS GAS SALES COMPANY, INC.

Pursuant to 807 KAR 5:001, Bluegrass Gas Sales, Inc. (Bluegrass) is requested to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 20, 2003. 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. For clarification, provide the following information:
 - a. Under Bluegrass s current tariff, explain who bears the cost of installing and maintaining a customer s service line and who retains ownership.

b. Under Bluegrass's current tariff, explain who bears the cost of replacing an existing customer service line and who retains ownership.

c. Provide the accounting entries that Bluegrass currently uses to record customer service lines on its books.

d. Under Bluegrass's proposed tariff, explain who would own the existing customer service lines if the line does not need to be replaced.

2. If the Commission approves Bluegrass's tariff change, provide the accounting entries that Bluegrass will use to record the following:

a. New customer service lines.

b. Existing customer service lines.

c. Replaced existing customer service lines.

3. Refer to the schedule labeled Nonrecurring Charge Cost Justification. Provide a detailed description of the items included in Supplies and Labor listed under Clerical and Office Expense.

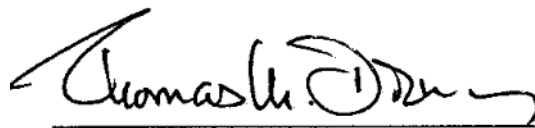
4. Explain why Bluegrass believes it is necessary to change the tariff.

5. Explain the exact meaning of the phrase "as soon as practical" as used in the proposed tariff referring to the replacement of a customer's service line.

6. Referring to your Nonrecurring Charge Cost Justification exhibit provided in the filing, the approximate cost for installation is \$1.00 per foot. Assume a customer's new service line is 100 feet in length. What is the cost justification for charging a customer \$300 for installing a new service line of 100 feet?

7. Provide a cost justification for charging \$1.00 per foot for footage greater than 300 feet. For example, what is the incremental cost of the additional footage installed for a customer requiring 425 feet of service line?

8. Explain in detail the justification for an existing customer paying \$300 for a new service line that will be owned by Bluegrass.



Thomas M. Dorman
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

DATED: May 13, 2003

cc: Parties of Record