COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| APPLICATION OF EQUITABLE |) | |
|-----------------------------------|---|------------|
| PRODUCTION COMPANY TO INCREASE |) | CASE NO. |
| RATES PURSUANT TO KRS 278.485 AND |) | 2005-00160 |
| 807 KAR 5:026, SECTION 9 |) | |

INITIAL DATA REQUEST OF COMMISSION STAFF TO EQUITABLE PRODUCTION COMPANY

Equitable Production Company ("Equitable Production"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than May 27, 2005. 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 Original Sheet No. 2 of the proposed Gas Cost Adjustment Clause ("GCA").
- a. The Expected Gas Cost ("EGC") component states that the EGC will represent the estimated cost of purchased gas. For the years 2000 through 2004, provide the following information for Equitable Production:

(1) Gas volumes (Mcf) sales to retail customers.

(2) Gas volumes (Mcf) produced.

(3) Gas volumes (Mcf) purchased.

b. Provide the percentage of gas that Equitable Production anticipates

it will purchase, rather than produce, to supply its retail customers in the future.

c. The Actual Cost Adjustment ("ACA") states that the purchased gas

volume will be calculated by applying an applicable Btu conversion factor and retainage

rate to the actual sales volume. Provide the source of the Btu conversion factor and

retainage rate and explain why the purchased volume must be calculated, rather than

directly measured.

d. Provide a detailed narrative explanation of why a gas production

company has need for a GCA mechanism.

2. Refer to Schedule B. For clarification explain whether the proposed

adjustment pertains only to the gas portion of the overall rate.

3. Provide the latest gas analysis of dry gas for Equitable Production in

Kentucky. Include thermal values per unit volume from all the compressor stations that

deliver gas.

Beth O'Donnell

Executive Director

Public Service Commission

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