

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA GAS)	
OF KENTUCKY INC. FOR AUTHORITY TO)	CASE NO.
ALLOCATE THE PROCEEDS OF ITS)	2005-00446
STRANDED COST/RECOVERY POOL)	

COMMISSION STAFF'S DATA REQUEST
TO COLUMBIA GAS OF KENTUCKY, INC.

Columbia Gas of Kentucky, Inc. ("Columbia") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 6 copies of the information requested herein, with a copy to all parties of record. The information requested herein is due December 22, 2005. 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 requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Provide, in a format comparable to that in Appendix B of the Commission's January 27, 2000 Order in Case No. 1999-00165,¹ a schedule of revenue opportunities

¹ Case No. 1999-00165, The Tariff Filing of Columbia Gas of Kentucky, Inc. to Implement a Small Volume Gas Transportation, Service, to Continue its Gas Cost Incentive Mechanism, and to Continue its Customer Assistance Program.

and stranded costs for Columbia's pilot Customer Choice program. This should list the actual amounts by program year (the period ended June 1st of each year) and in total for the full term of the pilot.

2. Refer to paragraphs 6 through 8 of the November 1, 2005 application, which discuss the Commission's May 19, 2000 Order in Case No. 1999-00165.

a. The section of the Order referenced in those paragraphs deals with the Commission's decision to allow Columbia to retain 25 percent of off-system sales revenues as an incentive. This was based on the projected excess revenues for the Customer Choice pilot of \$4.373 million, with the intent being that Columbia's share of expected off-system sales revenues of \$18 million would be approximately equal to the projected excess revenues. Provide the amount of Columbia's share of off-system sales revenues over the full term of the pilot program.

b. Explain why it is appropriate to revisit the issue of the appropriate allocation of the difference between the revenue opportunities and the stranded costs associated with the pilot Customer Choice program more than 5 years after issuance of the Commission's final Order in Case No. 1999-00165, in which it ruled that the full amount of any excess of revenue opportunities over stranded costs would be credited to Columbia's sales and choice customers.

c. Explain why reallocation of the difference between revenue opportunities and stranded costs at this time would not constitute retroactive rate-making.

3. Refer to paragraphs 9 and 10 of the November 1, 2005 application.

a. Given that the Commission rejected the deadband approach proposed in Case No. 1999-00165, explain why “the collaborative parties’ expectations” regarding the treatment of the stranded cost/recovery pool balance, as reflected in Columbia’s application in that case, should be reconsidered at this time.

b. Explain why Commission approval of the prospective treatment of the proceeds from off-system sales and capacity releases in Case No. 2004-00462² should have any bearing on the treatment of the proceeds from off-system sales and capacity releases over the past 5 years during the pilot Customer Choice program.

for: 
Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: December 9, 2005

cc: Parties of Record

² Case No. 2004-00462, The Application of Columbia Gas of Kentucky, Inc. to Implement a New Small Volume Gas Transportation Service, a Gas Price Hedging Plan, and Off-System Sales and Capacity Release Revenue Sharing Mechanism, and a Gas Cost Cost Incentive Mechanism, Order of March 29, 2005.