

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|  |   |            |
|--|---|------------|
| APPLICATION OF COLUMBIA GAS OF KENTUCKY, | ) |            |
| INC. TO ESTABLISH A REGULATORY ASSET     | ) | CASE NO.   |
| RELATED TO PENSION AND OTHER POST-       | ) | 2009-00168 |
| RETIREMENT BENEFIT EXPENSES              | ) |            |

SECOND DATA REQUEST OF COMMISSION STAFF  
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 six copies of the following information, with a copy to all parties of record. The information requested herein is due no later than July 2, 2009. 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 the 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 shall 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.


1. Refer to the response to item 1.c. of the First Data Request of Commission Staff ("Staff's First Request").

a. The breakdown of Pension Expenses shows that changes in two components of Net Pension Expense, Expected Return on Assets and Amortization (Gain)/Loss, are the primary reasons for the estimated increase in Net Pension Expense in 2009 compared to prior years. The responses to items 1.c and 5 generally describe how Expected Return on Assets is impacted by economic/market conditions. Explain why the Amortization (Gain)/Loss increases from essentially zero in 2008 to \$541,845 (estimated) in 2009. Identify the relationship, if any, between the \$541,845 of Columbia and the \$21 million loss amortization of the Columbia Energy Group ("CEG") Plan shown in the response to item 5 of Staff's First Request.

b. Net Pension Expense estimated for 2009 is roughly \$1,050,000 greater than the average expense for the three previous calendar years. The 2009 estimate for Net Other Post-Retirement Benefits ("OPEB") Expense of approximately

\$510,000, by comparison, is roughly \$198,000 greater than the average for the three previous years. Given that the volatility and overall magnitude of Net OPEB Expense is substantially less than that of Net Pension Expense, explain in detail why Columbia believes that OPEB expense should be included in the regulatory asset for which it is seeking Commission approval.

2. Refer to the response to item 5 of Staff's First Request, which refers to losses for the NiSource Master Retirement Trust being amortized over 11.1 years while losses for the CEG Plan are amortized over 11.8 years. Explain how the number of years in the amortization period of each plan is determined and why the amortization periods differ.



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DATED JUN 22 2009

cc: All parties

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