

CASE

NUMBER:

99-165

KY. PUBLIC SERVICE COMMISSION

Index for Case: 1999-00165

AS OF : 03/06/07

Columbia Gas of Kentucky, Inc.

Tariffs

REVISIONS TO GAS COST ADJUSTMENT CLAUSE AND CERTAIN TRANSPORTATION TERMS

THE TARIFF FILING OF COLUMBIA GAS OF KENTUCKY, INC. TO IMPLEMENT A SMALL VOLUME GAS TRANSPORTATION SERVICE, TO CONTINUE ITS GAS COST INCENTIVE MECHANISMS, AND TO CONTINUE ITS CUSTOMER ASSISTANCE PROGRAM

SEQ NBR	Date	Remarks
1	05/28/99	Order scheduling an IC on 6/3/99 at 10:00 in Hearing Room 2.
2	05/28/99	Order suspending proposed rates up to and including March 31, 2000.
3	(M) 06/02/99	MOTION TO INTERVENE OF LG&E ENERGY (DOUGLAS BROOKS LG&E ENERGY)
4	(M) 06/03/99	RESPONSE TO COMMISSIONS ORDER DATED MAY 28, 1999. (STEPHEN SEIPLE COLUMBIA GAS OF KY)
5	06/09/99	Order granting LG&E Energy full intervention.
6	(M) 06/14/99	Motion for leave to Intervene. (Jerry Borchert/ SEC)
7	(M) 06/18/99	SUPP RESPONSE TO ORDER OF MAY 28,99 (STEPHEN SEIPLE COLUMBIA GAS OF KY)
8	(M) 06/22/99	MOTION TO INTERVENE (ANTHONY MARTIN COMMUNITY ACTION COUN)
9	06/24/99	Order granting Stand Energy Corporation intervention
10	06/24/99	Order scheduling 10/12 hearing; sets procedural schedule
11	06/28/99	Order granting the Community Action Council, Inc. intervention
12	(M) 06/29/99	LETTER OF AGREEMENT TO POSITION EXPRESSED IN RESPONSE FILED MY 28,99 (JACK BURCH COMMUNITY ACTION COUNCIL)
13	07/02/99	Data Request Order; response due 7/16
14	(M) 07/16/99	RESPONSE TO ORDER OF JULY 2,99 (COLUMBIA GAS)
15	(M) 07/16/99	DIRECT TESTIMONY OF KIMRA COLE (COLUMBIA GAS)
16	(M) 07/16/99	DIRECT TESTIMONY OF STEPHEN BYARS (COLUMBIA GAS OF KY)
17	(M) 07/16/99	TESTIMONY OF SCOTT PHELPS (COLUMBIA GAS)
18	07/27/99	Order entered; existing tariff sheets remain in effect until conclusion of case
19	07/30/99	Data Request Order; response due 8/13
20	(M) 07/30/99	MOTION FOR FULL INTERVENTION (LEX FAY URBAN CO GOV ED GARDNER)
21	08/06/99	Order granting Lexington-Fayette Urban County Government intervention
22	(M) 08/13/99	RESPONSE TO PSC ORDER OF JULY 30,99 (COLUMBIA GAS SMITTY TAYLOR)
23	(M) 08/26/99	MOTION TO INTERVENE (BRIAN DINGWALL UNITED GAS)
24	08/27/99	Data Request Order; response due 9/10
25	(M) 09/10/99	RESPONSE TO PSC ORDER OF AUG 27,99 (COLUMBIA GAS SMITTY TAYLOR)
26	(M) 09/20/99	TESTIMONY OF JACK BURCH (JACK BURCH COMMUNITY ACTION COUNCIL)
27	(M) 09/22/99	RESPONSE TO ORDER OF JUNE 24,99 DUPLICATE NOTICE,& REQUEST FOR PUBLI (COLUMBIA GAS OF KY AMY KONCELIK)
28	10/05/99	Order granting United Gas intervention
29	(M) 10/26/99	TRANSCRIPT FILED FOR HEARING ON OCT 12,99 (CONNIE SEWELL COURT REPORTER)
30	10/29/99	Order issuing data request; response due 11/12
31	(M) 11/12/99	BRIEF OF THE COMMUNITY ACTION COUNCIL (ANTHONY MARTIN COLUMBIA GAS)
32	(M) 11/12/99	POST HEARING BRIEF (COLUMBIA GAS RICHARD TAYLOR)
33	(M) 11/12/99	RESPONSE TO PSC ORDER OF OCT 29,99 (COLUMBIA GAS RICHARD TAYLOR)
34	01/20/00	Memorandum regarding Small Volume Gas Transportation Service
35	01/27/00	FINAL ORDER; APPROVES SMALL VOLUME GAS TRANSPORTATION PROGRAM ON PILOT BASIS
36	(M) 02/04/00	NOTIFICATION CONCERNING FILING EVALUATION (STEPHEN SEIPLE COLUMBIA GAS OF KY)
37	(M) 02/18/00	PETITION FOR REHEARING (COLUMBIA GAS STEPHEN SEIPLE)
38	(M) 03/01/00	JOINT RESPONSE TO PETITION FOR REHEARING OF COLUMBIA GAS (ANTHONY MARTIN COMM ACTION COUNCIL)
39	03/06/00	Order granting rehearing
40	(M) 03/16/00	TESTIMONY OF JUDY M COOPER (COLUMBIA GAS)
41	(M) 03/16/00	TESTIMONY OF SCOTT PHELPS (COLUMBIA GAS)

- 42 03/20/00 Order scheduling 4/25 hearing; sets procedural schedule
- 43 (M) 03/28/00 REHEARING BRIEF (COLUMBIA GAS)
- 44 (M) 03/29/00 COMMENTS (JOHN DOSKER STAND ENERGY CORP)
- 45 04/04/00 Order issuing data request; response due 4/14
- 46 (M) 04/14/00 TO COMMISSION'S ORDER DATED APRIL 4, 2000 (ANDREW J. SONDERMAN/COLUMBIA GAS)
- 47 (M) 05/03/00 RESPONSES TO QUESTIONS POSED AT THE HEARING OF APRIL 25, 2000 (JUDY COOPER/COLUMBIA GAS)
- 48 (M) 05/10/00 TRANSCRIPT FILED FOR HEARING ON APRIL 25,00 (VIVIAN LEWIS COURT REPORTER)
- 49 05/19/00 Order entered; relief requested is denied in part and granted in part
- 50 (M) 05/26/00 INTENDS TO IMPLEMENT CUSTOMER CHOICE PROGRAM (STEPHEN R. BYARS)
- 51 (M) 07/28/00 TARIFF (JUDY COOPER COLUMBIA GAS)
- 52 (M) 11/22/00 INFORMATION REGARDING MARKETERS THAT HAVE BEEN APPROVED AND CERTIFIED (JUDY COOPER/COLUMBIA GAS)
- 53 01/08/01 Order entered; current schedule of rates due on 1st business day of each month
- 54 (M) 03/01/01 RESPONSE TO COMMISSION'S ORDER (JUDY COOPER/COLUMBIA GAS)
- 55 (M) 04/02/01 RESPONSE TO COMMISSION'S ORDER (JUDY COOPER/COLUMBIA GAS)
- 56 (M) 05/04/01 RATES CURRENTLY BEING OFFERED (JUDY COOPER/COLUMBIA GAS)
- 57 (M) 06/01/01 RATES CURRENTLY BEING OFFERED (JUDY COOPER/COLUMBIA GAS)
- 58 (M) 06/01/01 FIRST ANNUAL REPORT FOR CUSTOMER CHOICE PROGRAM (STEPHEN BYARS/COLUMBIA GAS)
- 59 (M) 07/10/01 RATES CURRENTLY BEING OFFERED BY PARTICIPATING MARKETERS (JUDY COOPER/COLUMBIA GAS)
- 60 (M) 08/03/01 Judy M Cooper - Columbia Gas of Kentucky, Inc. - RATES CUREENTLY BEING OFFERED BY PARTICIPATING MARKETERS
- 61 (M) 09/04/01 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Commission's order
- 62 (M) 10/02/01 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being offered by participating marketers in Columbia's Customer CHOICE program
- 63 (M) 11/05/01 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed by participating suppliers
- 64 (M) 12/06/01 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed by participating suppliers.
- 65 (M) 12/07/01 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Information regarding an addition marketer
- 66 (M) 01/07/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed by participating suppliers
- 67 (M) 03/01/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order , rates currently being marketed by participating suppliers in Columbia's Customer Choice program
- 68 (M) 04/04/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Submission of rates currently being marketed by participating suppliers in Columbia's Customer CHOICE program.
- 69 (M) 05/03/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Submission of rates currently being marketed by participating suppliers in Columbia's Customer CHOICE program.
- 70 (M) 06/03/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas of Kentucky response to Order of Jan 27,00, March 6,00, May 19,00
- 71 (M) 07/02/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia's rates being marketed by participating suppliers in Customer CHOICE program
- 72 (M) 08/01/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to PSC Orders rates currently being marketed by participating suppliers in CHOICE program
- 73 (M) 09/04/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Orders concerning currant rates being marketed by suppliers by suppliers in Columbia's Customer CHOICE program
- 74 (M) 10/03/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to PSC Orders Columbia's customer choice program
- 75 (M) 11/04/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates Currently Being Marketed by Participating Suppliers in Columbia's Customer CHOICE Program.
- 76 (M) 12/02/02 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order rates currently being marketed by participating suppliers in Customer Choice Program
- 77 (M) 01/06/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order rates currently being marketed by participating suppliers in Columbia's Customer CHOICE program
- 78 (M) 02/03/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order concerning rates currently being marketed by participating suppliers in Columbia's Customer Choice Program
- 79 (M) 03/03/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response of Columbia Gas to Order concerning rates currently being marketed by CHOICE Program
- 80 (M) 04/02/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order rates currently being marketed in Customers CHOICE program from Columbia Gas of Kentucky
- 81 (M) 05/02/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas of Kentucky rates currently being marketed by suppliers to Columbia Customer CHOICE program
- 82 (M) 06/02/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas annual report on its Customer Choice program
- 83 (M) 06/02/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas response to Orders submits rates currently being marketed by participating suppliers in Columbia's Customer Choice program

- 84 (M) 06/02/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas response to audit and advising does not intend to continue Customer Choice Program until October 2004; intends to file an application soon seeking to terminate the program March 31, 2004
- 85 (M) 06/06/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Motion to terminate Small Volume Transportation Service filed by Columbia Gas
- 86 (M) 06/12/03 James R Cox - Petition to continue and make permanent the Choice Program of Columbia Gas filed by Interstate Gas Supply
- 87 (M) 06/12/03 James R Cox - Motion for admission pro hac vice of Mr. John W. Bentine and Mr. Bobby Singh and Memorandum in support filed by Interstate Gas Supply
- 88 06/16/03 Letter to James R. Cox regarding Columbia's motion and IGS's petition; petition will be filed with record to be considered by the Commission along with Columbia's request to terminate the pilot program.
- 89 (M) 06/18/03 Joe F Childers - Notice of substitution of Counsel & notice of full participation for CAC
- 90 06/26/03 Order entered setting procedural schedule
- 91 (M) 07/05/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Interrogatories to Interstate Gas Supply Inc pursuant to PSC procedural schedule issued in Order of June 26, 03 from Columbia Gas
- 92 (M) 07/08/03 James R Cox - Cox Bowling & Johnson PLLC - Letter from IGS explaining the lack of reference to Columbias petition
- 93 (M) 07/10/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to PSC Order , rates currently being marketed by participating suppliers of Columbia Gas Customer CHOICE program
- 94 07/10/03 PSC Staff First Data Request to Columbia Gas; response due 7/24/2003
- 95 07/10/03 PSC Staff First Data Request to Interstate Gas Supply, Inc.; response due 7/24/2003
- 96 (M) 07/10/03 Joe F Childers - CAC's First Interrogatories and Request for Production of Documents to Columbia Gas of Kentucky, Inc.
- 97 (M) 07/10/03 Mary R Harville - Reed Weitkamp Schell Cox & Vice - Leave for full intervention of National Energy Marketers Association , Motion for admission Pro Hac Vice of Mr Craig Goodman & memo in support, motion for admission Pro Hac Vice Of Ms Stacey Rantala & memo in support, Motion for admission Pro Hac Vice Ms Heather Master & memo in support
- 98 (M) 07/11/03 James R Cox - Cox Bowling & Johnson PLLC - First set of discovery to Columbia Gas of Kentucky, Inc.
- 99 07/15/03 Order entered amending procedural schedule established in 6/26/2003 Order
- 100 (M) 07/23/03 Lexington-Fayette Urban County - Lexington Fayette Urban County Government statement on the motion of Columbia Gas of Kentucky Inc
- 101 (M) 07/24/03 James R Cox - Cox Bowling & Johnson PLLC - Responses to initial interrogatories from Columbia Gas filed by Interstate Gas Supply
- 102 (M) 07/24/03 James R Cox - Cox Bowling & Johnson PLLC - Comments and testimony of Scott White, President, Interstate Gas Supply
- 103 (M) 07/24/03 James R Cox - Cox Bowling & Johnson PLLC - Responses to first data request of Commission Staff filed by Interstate Gas Supply
- 104 (M) 07/24/03 Mary R Harville - Reed Weitkamp Schell Cox & Vice - Fax Copy of Motion for Admission Pro Hac Vice of Ms. Janine L. Migden and Memorandum of Support
- 105 (M) 07/24/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia's responses to Commission's first data request and requests of Community Action Council and Interstate Gas Supply
- 106 (M) 07/24/03 Mary R Harville - Reed Weitkamp Schell Cox & Vice - Fax Copy of Motion for Full Intervention/Comments on Behalf of Volunteer Energy Services, Inc.
- 107 (M) 07/24/03 Joe F Childers - Community Action Council's Statement on its Position Concerning the Motion of Columbia Gas of Kentucky, Inc. to Terminate the Choice Program
- 108 (M) 07/24/03 Mary R Harville - Reed Weitkamp Schell Cox & Vice - Fax Copy of Comments of the National Energy Marketers Association
- 109 07/24/03 Order entered: John W. Bentine and Bobby Singh are admitted Pro Hac Vice for purpose of representing Interstate Gas in this proceeding provided that Mr. Cox, or another member of the Kentucky Bar Association, acts as co-counsel and is present at any and all proceedings before this Commission
- 110 (M) 07/25/03 Mary R Harville - Reed Weitkamp Schell Cox & Vice - Motion for leave for full intervention of Volunteer Energy Services, Motion for admission Pro Hac Vice of Ms Janine Migden & memo in support
- 111 (M) 07/25/03 Mary R Harville - Reed Weitkamp Schell Cox & Vice - Comments of the National Energy Marketers Assoc
- 112 (M) 07/28/03 Georgia H Rodes - Letter of Concern from Georgia H. Rodes
- 113 (M) 07/30/03 Rex Payne - e-mail letter of support from Rex Payne letter of support
- 114 (M) 07/31/03 Samuel & Tammie Nava - Letter in support of Choice Program of Columbia Gas
- 115 (M) 08/01/03 Michael Huster - Letter in support of Choice Program
- 116 (M) 08/01/03 David Griffith - Letter in support of Choice Program
- 117 (M) 08/01/03 Don Carter - Letter in support of Choice Program
- 118 (M) 08/01/03 Thomas & Demaris Pinkstaff - Letter of support to keep Choice Program
- 119 08/01/03 e-mail response to Rex Payne sent August 1, 2003
- 120 (M) 08/04/03 Charles & Margaret Washington - Letter in Support of Customer Choice Program
- 121 08/04/03 e-mail response to Cd101@cs.com
- 122 (M) 08/04/03 Anna Graves - Letter in support of Customer Choice Program from Anna Graves
- 123 (M) 08/04/03 e-mail letter of support (no name)

- 124 08/05/03 PSC Staff Supplemental Data Request to Columbia Gas of KY, Inc.; response due 8/18/2003
- 125 (M) 08/05/03 Paul Winters - Letter in support of Customer Choice Program
- 126 08/05/03 PSC Staff First Data Request to Intestate Gas Supply, Inc.; response due 8/18/2003
- 127 (M) 08/06/03 Elmer Lee - Letter in support of Customer Choice Program
- 128 (M) 08/06/03 John Huang - Letter in support of Customer Choice Program of Columbia Gas of Kentucky
- 129 (M) 08/06/03 Larry Allen Lewis - Letter in support of Customer Choice Program of Columbia Gas of Kentucky
- 130 (M) 08/06/03 James Shope - Letter in support of Customer Choice Program of Columbia Gas of Kentucky
- 131 (M) 08/06/03 Lorena Hern - Letter in support of Customer Choice Program of Columbia Gas
- 132 (M) 08/08/03 Tom & Michele Hencye - Tom & Michele Hencye letter in support of Customer Choice Program
- 133 08/08/03 Letter to Mr. Paul Winters in response to 08/05/03 support letter
- 134 08/08/03 Letter to Ms. Anna S. Graves in response to 08/04/03 support letter
- 135 08/08/03 Letter to Mr. Larry Allen Lewis in response to 08/06/03 support letter
- 136 08/08/03 Letter to Mr. Elmer T. Lee in response to 08/06/03 support letter
- 137 08/08/03 Letter to Mr. & Mrs. Samuel Nava in response to 07/31/03 support letter
- 138 08/08/03 Letter to Mr. John H. Huang in response to 08/06/03 support letter
- 139 08/08/03 Letter to Mr. Michael Huster in response to 08/01/03 support letter
- 140 08/08/03 Letter to Ms. Lorene J. Hern in response to 08/06/03 support letter
- 141 08/08/03 Letter to Mr. & Mrs. Charles Washington in response to 08/04/03 support letter
- 142 08/08/03 Letter to Mr. David E. Griffith in response to 08/01/03 support letter
- 143 08/08/03 Letter to Ms. Georgia Rodes in response to 07/28/03 support letter
- 144 08/08/03 Letter to Mr. & Mrs. Thomas Pinkstaff in response to 08/01/03 support letter
- 145 08/08/03 Letter to Mr. Don E. Carter in response to 08/01/03 support letter
- 146 08/08/03 Letter to Mr. James A. Shope in response to 08/06/03 support letter
- 147 08/11/03 Letter to Mr. & Mrs. Tom Hencye in response to 08/08/03 support letter
- 148 (M) 08/12/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Notice of Columbia Gas of Kentucky Inc of its intent to withdraw its motion to terminate the small volume transportation service & motion requesting authority to extend the small volume transportation service through March 31, 2005
- 149 (M) 08/12/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas of Kentucky rates currently being marketed by participating suppliers in Columbia Customer CHOICE program
- 150 (M) 08/15/03 James R Cox - Cox Bowling & Johnson PLLC - Comments of petitioner Interstate Gas Supply Inc in support of Columbia Gas of Kentucky Inc motion to extend the Choice Program through March 31, 05
- 151 (M) 08/19/03 Joe F Childers - Community Action Council statement in support of the motion of Columbia Gas of Kentucky Inc to extend the choice program through March 31, 05
- 152 08/20/03 Order entered; responses from Columbia and IGS to 8/5/2003 data requests due 8/27/2003
- 153 (M) 08/26/03 Joe F Childers - Community Action Council statement in response to the PSC Order dated August 20, 03
- 154 (M) 08/27/03 James R Cox - Cox Bowling & Johnson PLLC - Responses to data requests of Commission Staff filed by Interstate Gas Supply
- 155 (M) 08/27/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Commission's second data request filed by Columbia Gas
- 156 (M) 08/29/03 James R Cox - Cox Bowling & Johnson PLLC - Notice of change of address filed by James R. Cox
- 157 (M) 09/05/03 Mariam Broadus - Letter of support to keep Customer Choice Program From Several residents
- 158 09/25/03 Final Order entered; grants Columbia's motion to withdraw its petition for early termination of its pilot program; the pilot phase of Columbia's Choice Program is extended to 3/31/2005
- 159 (M) 12/01/03 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed by participating suppliers in Columbia Customer CHOICE program
- 160 (M) 01/05/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed by participating suppliers in Columbias Customer CHOICE program
- 161 (M) 03/02/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed by participating suppliers of Columbia's CHOICE program
- 162 03/22/04 Letter to Joe Kelly notifying that the Commission staff is initiating the consultant selection process; meeting to be scheduled
- 163 (M) 04/06/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order rates currently being marketed by participating suppliers in Columbia Gas Customer CHOICE program thru March 2005
- 164 (M) 04/20/04 Joseph W Kelly - Columbia Gas of Kentucky, Inc. - Letter to request that PSC postpone the audit process pending a decision by Columbia that would confirm discontinuance of the program or provide reasonable certainty the Columbia intends to file revision to the pilot program
- 165 (M) 05/06/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas rates currently being marketed by participating suppliers CHOICE program
- 166 (M) 06/01/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas annual report on its Customer CHOICE program in response to Order
- 167 06/01/04 Order entered; all parties to file their responses to Columbia's 4/20/2004 request to postpone the evaluation of the Choice Program by 6/8/04

- 168 (M) 06/01/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order rates being currently marketed by participating suppliers in Columbia Customer CHOICE program
- 169 (M) 06/08/04 Joe F Childers - CAC's response to Commission's June 1, 04 Order
- 170 (M) 06/08/04 James R Cox - Cox Bowling & Johnson PLLC - Comments of Interstate Gas Supply requesting Commission to stay its audit of Columbia Gas CHOICE program
- 171 (M) 07/01/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas of Kentucky rates currently being marketed by participating suppliers in Columbia's Choice Program
- 172 07/20/04 Order entered; grants Columbia's request that the Commission postpone its planned evaluation of Columbia's pilot Choice Program; status report due 9/20/04
- 173 (M) 08/11/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed by Participating suppliers in Columbia's Customer CHOICE Program
- 174 (M) 09/20/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas Response to Order of July 20, 04 status report on Customer CHOICE program
- 175 (M) 10/04/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas of Kentucky rates currently being marketed by participating suppliers in Columbia's Customer CHOICE program in response to Order
- 176 10/08/04 Order entered: (1) Columbia's request that Commission extend postponement of its planned evaluation of Columbia's pilot Choice Program is granted; (2) Columbia shall file its application for approval of revised Choice Program by 11/30/2004; (3) Postponement granted shall run through 11/30/2004 or until Columbia files application for revised Choice Program, whichever is earlier
- 177 (M) 11/03/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order from Columbia Gas Of Kentucky rates currently being marketed by participating suppliers in Columbia Customer CHOICE program
- 178 (M) 11/17/04 Emmett Swinford - Letter of concern to customer choice program from Emmett Swinford
- 179 (M) 11/22/04 Pat Yacobi - Letter of concern to customer choice program from Patricia L. Yacobi
- 180 (M) 12/08/04 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed by participating suppliers in Columbia's Consumer Choice Program
- 181 (M) 01/04/05 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Columbia Gas of Kentucky submits rates currently being marketed by participating suppliers in Customer CHOICE program
- 182 (M) 01/10/05 Judy M Cooper - Columbia Gas of Kentucky, Inc. - January 04, 05 Columbia monthly report to Customer CHOICE Program
- 183 (M) 02/14/05 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Response to Order rates currently being marketed by participating suppliers in Columbias Customer CHOICE program
- 184 (M) 03/01/05 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Rates currently being marketed from Columbia Gas
- 185 (M) 06/02/05 Judy M Cooper - Columbia Gas of Kentucky, Inc. - Annual report on Customer CHOICE program for Columbia Gas


Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

RECEIVED

JUN 02 2005

PUBLIC SERVICE
COMMISSION

June 1, 2005

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

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits its annual report on its Customer CHOICESM program. An original and six copies are enclosed.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,

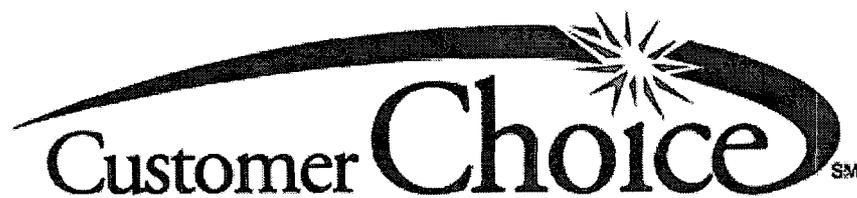


Judy M. Cooper
Director, Regulatory Policy

RECEIVED

JUN 0 2 2005

PUBLIC SERVICE
COMMISSION



Make a Choice. Take Control.

**Columbia Gas of Kentucky, Inc.
Customer ChoiceSM Program
Annual Report**

June 1, 2005



Columbia Gas of Kentucky, Inc.
Customer ChoiceSM Program Annual Report
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Introduction

Columbia Gas of Kentucky's ("Columbia") application requesting approval of its Customer Choice Program described an annual report to be filed with the Kentucky Public Service Commission ("Commission"). This fifth annual report will summarize the Program and its progress over the last year to its termination on March 31, 2005. In addition, the report will benchmark the progress of the Program against the six stated goals of the Program as listed in Columbia's initial Choice Application. This is the final report for the Program authorized by the Commission in Case No. 1999-165.

Columbia identified six primary goals that it believed would be critical to the success of the Program. These goals were used as a guide when developing the details of the Program with the Customer Choice Collaborative and stated clearly in the application to the Commission. The members of the Collaborative are the Office of the Attorney General of the Commonwealth of Kentucky, the Lexington-Fayette Urban County Government, and the Community Action Council for Fayette, Bourbon, Harrison and Nicholas Counties. In addition, FSG Energy Services, a marketing subsidiary of Wisconsin Public Service Resources Corporation, provided valuable input as well. The stated goals are listed below along with a summary of the progress to date on each.

- The program must provide an opportunity for customers to save money on their gas bills.

At the time of the filing of the first Customer Choice annual report Columbia was extremely pleased with the level of customer savings through the first six months of the Program. Customers had saved a total of \$1,458,148 on gas costs from November 2000 through the first six months. To put this into perspective, the typical residential customer using an average of 8 MCF per month throughout the year paid \$59.29 per month for natural gas from Columbia. This same customer would have saved more than \$71 over a full year if enrolled under the 10% off of Columbia's gas cost offer accepted by most customers. In effect, this customer would have saved enough through the Customer Choice Program to have received more than one month's gas free.

Tight supplies causing higher wholesale natural gas prices combined with record-breaking cold temperatures in December 2001 focused customers on their gas bills, particularly the gas cost portion of the bill. Combined with easy to understand, no-risk offers from marketers such as 10% off of Columbia's gas cost prompted customer enrollments into Choice at a pace far exceeding everyone's expectations. Enrollment peaked in January 2002 at 52,639 customers or nearly 38% of eligible customers. As of March 2005, 40,548 customers representing approximately 29% of eligible customers had enrolled with a marketer. This is a decline of 12,091 customers, or almost 23% of participating customers from January 2002.

As was the case last year, wholesale prices have continued their volatility. At the same time, marketers have offered fixed price rates to new customers which were generally near to Columbia's but re-enrollments were offered at different rates. During most of the period, customers had a choice of rates from two or three marketers. At the end of June 2004, the Community Action Council Buyers Club closed its business as a participating marketer in the

program. The remaining marketers have been long term participants in the Program, providing savings to customers. As of December 2004, Choice customers have saved \$14,510,256.33. This savings is calculated as the amount paid by customers compared to the amount the customers would have paid if they had not opted to be supplied by a marketer in the first place. This is a grand total from the beginning of the program through the latest month available.

- The program should provide marketers with as much flexibility as is possible to provide customers savings by allowing them to serve customers using their own interstate pipeline capacity.

Once a marketer is deemed credit-worthy to participate in the Choice Program, Columbia and the marketer execute an aggregation agreement. According to the terms of these aggregation agreements, marketers agree to contract for firm, primary point delivery entitlements on the interstate pipeline. Under the aggregation agreement Columbia has the right and the obligation to contact marketers and ask that they verify their contracts for firm pipeline entitlements.

In early January 2002, Columbia sent letters to the two marketers serving Choice volumes with the marketers' own capacity requesting verification of their firm pipeline contracts. It became apparent that those marketers did not obtain the required firm, primary point delivery entitlements on the interstate pipeline.

The lack of the marketers to provide verification prompted Columbia to seek to amend its tariff for Small Volume Aggregation Service. In Docket No. 2002-00117, Columbia requested that the Commission eliminate the "grandfathering" of Phase I volumes and permit Columbia to require marketers to take mandatory assignment of Columbia's capacity for all Choice volumes. One marketer protested Columbia's proposal and expressed the necessity for balance between Columbia's needs and those of Choice suppliers to capture savings for end-users. Columbia and the marketer entered into a Settlement that was approved by the Commission on January 13, 2003. Marketers now take assignment of minimum levels of Columbia's storage and transportation capacity and undergo a prospective capacity audit applicable to the winter season. If the audit determines that the marketer does not have the required firm pipeline contracts, Columbia can assign capacity to meet the marketer's capacity shortfall and the marketer is required to accept the assignment.

- The program should be revenue neutral for Columbia, and must allow Columbia to recover its stranded costs and incremental program expenses.
- The recovery of stranded costs must be as transparent to the customer as possible to permit the customer to make a clear and understandable choice between the marketer's offer and Columbia's sales rate.

- Customers who choose to continue to purchase their gas supply using Columbia's traditional sales service should not incur any additional charges because of the implementation of the Customer CHOICE Program.

The preceding goals have been accomplished through the model approved by the Commission.

- Customer education is critical to the success of the program and customers must have an opportunity to learn about the program for a period of time before they begin to receive offers from marketers.

This goal was also accomplished by the Commission allowing for a customer education period prior to when marketers would be allowed to contact customers and enroll them into the Program.

In the future, Columbia will file an annual report with the Commission pursuant to the Order of March 29, 2005 in Case No. 2004-00462.



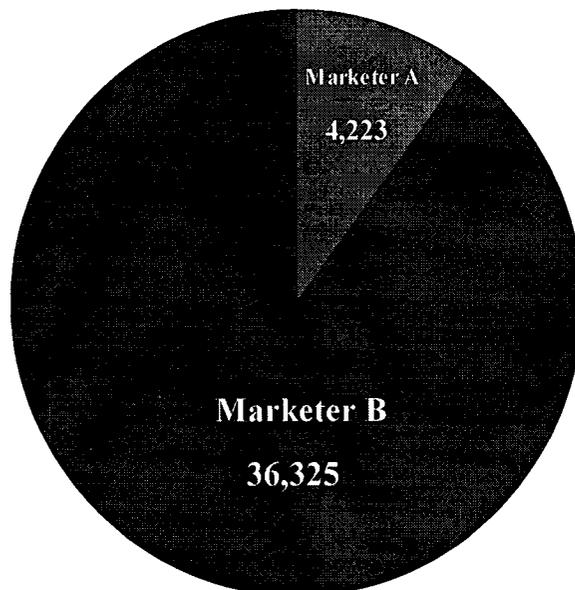
Residential & Commercial Customer Participation



As of March 31, 2005



Marketer Enrollment

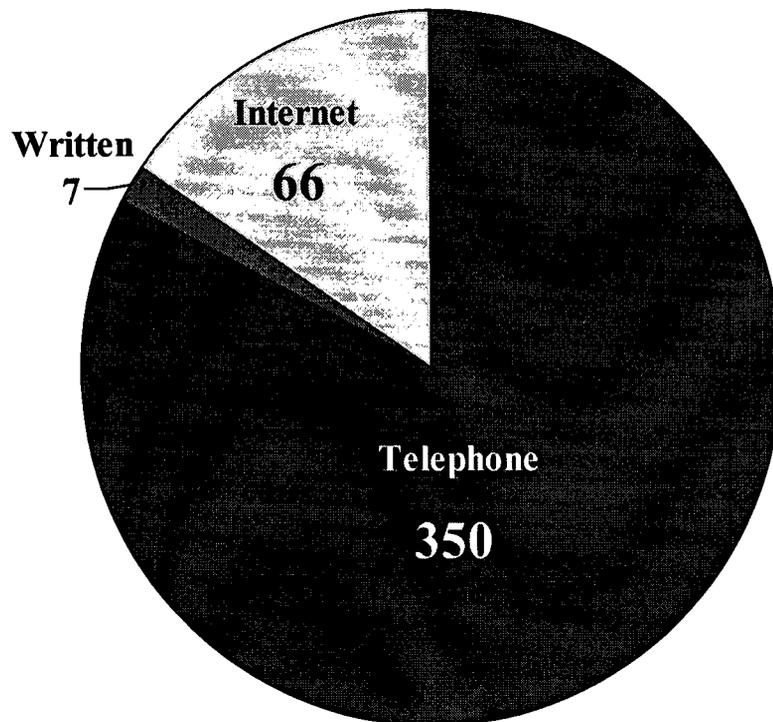


Note: In an effort to avoid undue influence in a competitive market, marketer data for this report will not be identified by specific marketer name.

As of March 31, 2005



Methods of Enrollment



As of March 31, 2005



Total Volumes Purchased From Marketers By Participating Customers (Mcf)

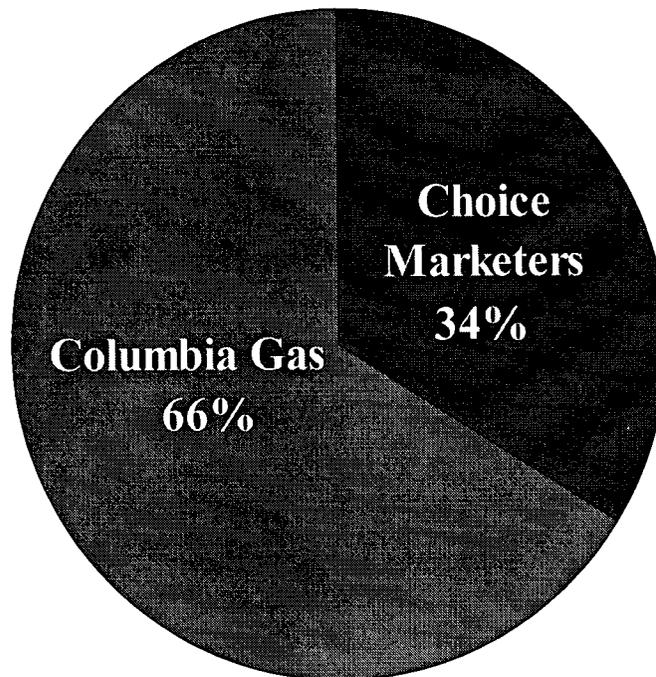


Total = 5,450,043 Mcf Annually

As of March 31, 2005



Percentage of Customer Participation By Volume



34 percent of total eligible throughput is being supplied by a Choice marketer.

As of March 31, 2005

Certified Marketers

Interstate Gas Supply, Inc.
Doug Austin, Vice President Marketing
5020 Bradenton Avenue
Dublin, Ohio 43017
800-280-4474

MxEnergy.com, Inc.
Anita Blake
595 Summer Street, Suite 300
Stamford, Connecticut 06901
800-785-4373

Rates Charged by Marketers

The following marketer rates are not identified by marketer name in order to avoid undue influence in a competitive market.

Marketer	Rates as of March 2005
A	\$ 9.9299 per Mcf \$ 8.6900 per Mcf \$ 8.2900 per Mcf \$ 9.5900 per Mcf \$ 8.6900 per Mcf \$ 8.7900 per Mcf \$ 8.5382 per Mcf \$ 7.8900 per Mcf \$ 9.5900 per Mcf \$ 6.8568 per Mcf
B	\$6.999 per Mcf \$10.9900 per Mcf \$8.4500 per Mcf \$10.3500 per Mcf \$7.9900 per Mcf \$7.49 per Mcf \$6.99 per Mcf \$5.99 per Mcf \$5.89 per Mcf \$9.99 per Mcf \$5.49 per Mcf \$8.99 per Mcf

Customer Education

Research conducted in late 2000 indicated strong awareness of the Customer Choice Program among Columbia Gas of Kentucky customers. As a result, the focus of the company's customer education efforts during 2001 and 2002 shifted to keeping customers informed of specific elements of the Choice Program at their request.

Web Site

Columbia's Web site – www.columbiagasky.com – continues to provide customers with an overview of the Choice Program, answers to frequently asked questions, and contact information, including toll-free phone numbers and Web site links, for participating marketers. A convenient Ask Us form is provided for those customers who have more specific questions regarding the Customer Choice Program.

Customers can use the Columbia Gas of Kentucky Web site to request a speaker to address their organization by completing and submitting an online speaker request form.

Community Presentations

As knowledge of the Customer Choice Program increased, the number of requests for speakers on the subject declined. Columbia representatives remain available to make presentations, answer questions and providing information about the Choice Program. Columbia continues to provide this service for organizations who request it.

Media Requests

Requests for interviews by print and electronic media were numerous following the announcement of the Customer Choice Program, but as customers became more educated about the program and its newness wore off, media coverage has decreased.

Customer Contact Center Training

Columbia Customer Service Specialists in the Lexington Customer Contact Center are updated regularly on the Customer Choice Program. The Customer Contact Center received 2,887 calls from May 2004 through March 2005 from customers seeking information about the Customer Choice Program.

Stranded Costs

The amount of stranded costs incurred under the program to date; and the amount of revenue, to date, realized from opportunities developed to off-set stranded costs under the program.

Transition Capacity Costs	\$32,476,346
Information Technology Costs	\$94,208
Education Costs	\$232,485
Total	\$32,803,039

Revenue to Off-Set Stranded Costs

Revenues Generated to Recover Stranded Costs, to date:

Off-System Sales	\$9,091,120
Balancing Charge	\$2,427,343
Marketer Contribution	\$1,354,930
Capacity Assignment	\$23,753,960
Total	\$36,627,353

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

March 1, 2005

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

RECEIVED

MAR 0 1 2005

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program. These are the last rates available under the approved CHOICE program which expires March 31, 2005.

Interstate Gas Supply (IGS) - Fixed price of \$9.59/Mcf thru March 2005. Offer states that if the Customer Choice Program is continued, IGS will send a notice with the renewal term and price, which may be fixed or variable.

MX Energy - Variable price of \$12.30/Mcf, month to month term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee

RECEIVED

FEB 14 2005

PUBLIC SERVICE
COMMISSION

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

February 14, 2005

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

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$9.59/Mcf thru March 2005

MX Energy - Variable price of \$12.30/Mcf, month to month term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Dawn McGee

Columbia Gas
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

January 7, 2005

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

RECEIVED

JAN 10 2005

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

On January 4, 2005 Columbia filed its monthly report pursuant to the Commission's Order in Case No. 1999-165, stating the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program. It has come to my attention that the offer reported for MX Energy is in error. MX is not currently marketing a fixed rate due to the uncertainty of the Choice program continuity. The current offer of MX is a variable rate program with a month-to-month term. The price for January 2005 is \$12.30 per Mcf.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Dawn McGee

C
Columbia Gas
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

January 4, 2005

RECEIVED

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

JAN 04 2005

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$9.59/Mcf thru March 2005

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

December 6, 2004

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

RECEIVED

DEC 08 2004

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$9.59/Mcf thru March 2005

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee

RECEIVED

NOV 22 2004

PUBLIC SERVICE
COMMISSION

PATRICIA YACOBI

4373 BROOKRIDGE DRIVE • LEXINGTON KY 40515 • 859-272-3592

November 19, 2004

RECEIVED

NOV 22 2004

Public Utility Commission of KY
Ms. Beth O'Dennell, Executive Dir.
P. O. Box 615
Frankfort, KY 40602

FINANCIAL ANALYSIS

RE: Case No. 1999-00165

Dear Ms. O'Dennell:

I recently heard that the Customer Choice Program for natural gas might be discontinued. I have several comments I would like to make regarding this program.

I signed up with Interstate Gas Supply, Inc., late summer of 2003 hoping to realize a savings on my winter heating bills. Much to my surprise, I believe my bills were actually higher because of the surcharges Columbia Gas was allowed to tack on. I checked with both IGS and Columbia Gas and verified that this was indeed correct and legal. Columbia Gas was allowed to add a surcharge to my bill for several months to compensate for their losing me as a customer. I believe these surcharges ended in February 2004. I reread all the paperwork I signed when I agreed to make this change, and cannot find any disclosure of these surcharges. I feel that I did all my homework as a consumer, yet ended up making a poor decision because there was not full disclosure. Although unhappy, I stayed with IGS thinking I would save money the next winter.

Well, next winter is now approaching, and I hear that the Customer Choice Program might not be renewed. I personally would like to see the Customer Choice Program continue, but please don't allow Columbia Gas to collect these surcharges - it defeats the entire purpose of choice. I have lived in several states and for many years have participated in choice programs. This is the first experience I have had with surcharges. Thank you.

Sincerely,

Pat Yacobi
Patricia L. Yacobi

RECEIVED

NOV 17 2004

PUBLIC SERVICE
COMMISSION

Dear Sirs

This letter is in regard of me using Interstate Gas Supply, Inc. I got a letter from them stating they couldn't supply the gas any more. I hope you all continue to let us take advantage of this service because it saves us 10% off our bill on gas every year. The 10% saves us lots of money and we are retired and need to save as much as possible. Columbia Gas encourages us to use it. We just need your ok. Please take this in to consideration.

My case # is 1999-00165. My customer # ID with Interstate is 358996. Thank you.

Emmett Swinford

3498 Tate's Creek Rd

Lex Ky 40517

Phone # 859-971-2500

RECEIVED

NOV 18 2004

FINANCIAL ANALYSIS

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

RECEIVED

NOV 03 2004

PUBLIC SERVICE
COMMISSION

November 2, 2004

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

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - not currently accepting new enrollments

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee

C
Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

September 20, 2004

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

Drop Box
RECEIVED

SEP 20 2004

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated July 20, 2004 in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits its report on the status of its Customer CHOICESM program. An original and ten copies are enclosed.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

COMMONWEALTH OF KENTUCKY

Drop Box
RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

SEP 20 2004

In the Matter of:)
)
THE TARIFF FILING OF COLUMBIA GAS)
OF KENTUCKY, INC. TO IMPLEMENT A)
SMALL VOLUME GAS TRANSPORTATION)
SERVICE, TO CONTINUE ITS GAS COST)
INCENTIVE MECHANISMS, AND TO)
CONTINUE ITS CUSTOMER ASSISTANCE)
PROGRAM.)

PUBLIC SERVICE
COMMISSION

CASE NO. 99-165

REPORT OF COLUMBIA GAS OF KENTUCKY, INC.

By Order dated July 20, 2004, in this docket, the Commission ordered Columbia Gas of Kentucky, Inc., ("Columbia") to file a detailed status report on its plans regarding the future of its CHOICE Program. Columbia hereby submits its report and requests that the Commission continue its postponement of the planned evaluation of Columbia's pilot CHOICE Program.

As contemplated in Columbia's April 23, 2004 letter to the Commission, Columbia has discussed with interested parties the expiration of the CHOICE program. Columbia has contacted the Office of the Attorney General of the Commonwealth of Kentucky, the Lexington-Fayette Urban County Government and the Community Action Council for Fayette, Bourbon, Harrison and Nicholas Counties, all of whom participated in the development of Columbia's original pilot program proposal. The marketers currently participating in the CHOICE Program have also been contacted - i.e., Interstate Gas Supply Co., Inc. ("IGS"), and MXEnergy, Inc. (FSG Energy Services, a marketing subsidiary of Wisconsin Public Service Resources Corporation that provided

input for the original proposal was not contacted because its original participation was limited to an advisory role and it has not participated in the CHOICE Program).

Based upon its discussion with the other stakeholders, Columbia believes that the continued availability of natural gas transportation to small volume customers is of great interest to some of the parties, and the other parties have no objection to a continuation of a small volume gas transportation program. Furthermore, Columbia currently has over 42,000 customers participating in the CHOICE Program. Thus, given this level of stakeholder and customer interest in the CHOICE program, Columbia has considered the feasibility of continuing the CHOICE program, and has considered whether modifications to the program might be beneficial.

Working primarily with IGS, Columbia has developed a general framework for a new Customer CHOICE Program. This framework will be presented to the other stakeholders at a meeting to be held within the next couple of weeks. Columbia hopes that the stakeholders will be able to build upon the framework to develop a new CHOICE Program that will continue to provide benefits for customers, and that will be easier to administer for Columbia and marketers.

Columbia hopes to be able to file an application setting forth the proposal for the new CHOICE Program by the end of October, although the exact timing will depend, in part, on the reactions of the stakeholders to the proposal. Columbia's goal is to obtain Commission action upon the application so that the new CHOICE Program can be operational by April 1, 2005, ensuring that customers will experience a seamless transition between the current program and the new one.

Columbia believes the planned evaluation of the current program may be unnecessary due to the filing of the proposal for a new CHOICE Program, and requests a continued post-

ponement of any evaluation of the current program while the details of a new program are being developed.

Dated at Columbus, Ohio, this twentieth day of September 2004.

Respectfully submitted,

COLUMBIA GAS OF KENTUCKY, INC.

By: Stephen B. Seiple (jmc)
Stephen B. Seiple
Lead Counsel

Stanley J. Sagun, Assistant General Counsel
Stephen B. Seiple, Lead Counsel
200 Civic Center Drive
P.O. Box 117
Columbus, Ohio 43216-0117
Telephone: (614) 460-4648
Fax: (614) 460-6986
Email: sseiple@nisource.com

Richard S. Taylor
225 Capital Avenue
Frankfort, Kentucky 40601
Telephone: (502) 223-8967
Fax: (502) 226-6383
Email: attysmitty@aol.com

Attorneys for
COLUMBIA GAS OF KENTUCKY, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Report to the Commission was served upon all parties of record by regular U.S. Mail this 20th day of September 2004.

Stephen B. Seiple (me)

Stephen B. Seiple
Attorney for
COLUMBIA GAS OF KENTUCKY, INC.

SERVICE LIST

Hon. John W. Bentine
Hon. Bobby Singh
Chester Willcox & Saxbe LLP
65 East State Street, Suite 1000
Columbus, OH 43215-4213

Hon. James R. Cox
Cox Bowling & Johnson PLLC
8303 Shelbyville Road
Louisville, KY 40222

Hon. David F. Boehm
Boehm, Kurtz & Lowry
2110 CBLD Center
36 E. Seventh Street
Cincinnati, OH 45202

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201 W. Short Street
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Lex-Fayette Urban County Government
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Lexington, KY 40507

Commonwealth Energy Services
745 West Main – 5th Floor
Louisville, KY 40202

Mr. Brian A. Dingwell
Vice President, Regulatory Affairs
United Gas
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Owensboro, KY 42303-1781

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Cincinnati, OH 45202

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Louisville Gas & Electric Co.
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Louisville, KY 40232

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Hon. Ann Louise Chevront
Assistant Attorney General
Civil & Environmental Division
Public Service Litigation Branch
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Frankfort, KY 40602

Hon. Craig G. Goodman
Hon. Stacey L. Rantala
Hon. Heather L. Master
National Energy Marketers Association
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Washington, D.C. 20007

Hon. Janine L. Migden
Hahn, Loeser & Parks, LLP
1050 Fifth Third Center
21 East State Street
Columbus, OH 43215

Mr. Jack E. Burch
Executive Director
Community Action Council
892 Georgetown Street
P. O. Box 11610
Lexington, KY 40576



Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
October 8, 2004

Honorable John W. Bentine
Attorney at Law
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

RE: Case No. 1999-00165

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/jc
Enclosure

Honorable John W. Bentine
Attorney at Law
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

Honorable David F. Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 2110
Cincinnati, OH 45202

Honorable Douglas M. Brooks
Senior Counsel Specialist, Reg.
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

Mr. Jack E. Burch
Executive Director
Community Action Council
892 Georgetown Street
P. O. Box 11610
Lexington, KY 40576

Honorable Ann Louise Chevront
Assistant Attorney General
1024 Capital Center Drive
Frankfort, KY 40601-8204

Honorable Joe F. Childers
Attorney at Law
201 West Short Street
Suite 310
Lexington, KY 40507

Judy M. Cooper
Manager, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY 40512-4241

James R. Cox
209 Breckinridge Lane
Louisville, KY 40207

Honorable John M. Dosker
General Counsel
Stand Energy Corporation
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Cincinnati, OH 45202-1629

Mr. Edward W. Gardner
Director Of Litigation
Lexington-Fayette Urban County
Government
Department Of Law
200 East Main Street
Lexington, KY 40507

Honorable Stephen B. Seiple
Attorney at Law
Columbia Gas of Kentucky, Inc.
200 Civic Center Drive
P.O. Box 117
Columbus, OH 43216-0117

Honorable Bobby Singh
Attorney at Law
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

Honorable Richard S. Taylor
Attorney at Law
Capital Link Consultants
225 Capital Avenue
Frankfort, KY 40601

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
VOLUME GAS TRANSPORTATION SERVICE,	)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

ORDER

On September 20, 2004, in response to the Commission's July 20, 2004 Order in this matter, Columbia Gas of Kentucky, Inc. ("Columbia") filed a report on the status of its Customer Choice Program ("Choice Program"). The report states that Columbia, working with various stakeholders, has attempted to develop a revised Choice Program. It also states that Columbia hopes to file an application setting forth the proposal for the revised Choice Program by October 31, 2004. Columbia states that an evaluation of the current program may be unnecessary due to proposed changes thereto; therefore, it requests that the postponement of such an evaluation, which was granted in our July 20, 2004 Order, be continued pending development of the revised program.

Based on Columbia's request, and being otherwise sufficiently advised, we find that the request should be granted. However, as stated in our July 20, 2004 Order, a decision in this matter cannot be postponed indefinitely. It is possible that an evaluation may be required and that the March 31, 2005 end date of the pilot Choice Program could impact the ability to perform that evaluation. Therefore, if a proposal for a revised Choice Program is to be filed, it should be filed not later than November 30, 2004.

IT IS THEREFORE ORDERED that:

1. Columbia's request that the Commission extend the postponement of its planned evaluation of Columbia's pilot Choice Program is granted.
2. Columbia shall file its application for approval of a revised Choice Program by November 30, 2004.
3. The postponement granted herein shall run through November 30, 2004, or until Columbia files an application for a revised Choice Program, whichever is earlier.

Done at Frankfort, Kentucky, this 8th day of October, 2004.

By the Commission

ATTEST.



Executive Director

Case No. 1999-00165

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

October 4, 2004

RECEIVED

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

OCT 04 2004

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.79/Mcf beginning October 2005

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

August 11, 2004

RECEIVED

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

AUG 11 2004

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.29/Mcf thru March 2005

MX Energy – Fixed price of \$9.99/Mcf thru March 2005

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee



Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
July 20, 2004

Honorable John W. Bentine
Attorney at Law
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

RE: Case No. 1999-00165

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

TD/sa
Enclosure

Honorable John W. Bentine
Attorney at Law
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

Honorable David F. Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 2110
Cincinnati, OH 45202

Honorable Douglas M. Brooks
Senior Counsel Specialist, Reg.
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

Mr. Jack E. Burch
Executive Director
Community Action Council
892 Georgetown Street
P. O. Box 11610
Lexington, KY 40576

Honorable Ann Louise Chevront
Assistant Attorney General
1024 Capital Center Drive
Frankfort, KY 40601-8204

Honorable Joe F. Childers
Attorney at Law
201 West Short Street
Suite 310
Lexington, KY 40507

Judy M. Cooper
Manager, Regulatory Services
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Honorable Richard S. Taylor
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225 Capital Avenue
Frankfort, KY 40601

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
VOLUME GAS TRANSPORTATION SERVICE,	)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

ORDER

On April 20, 2004, Columbia Gas of Kentucky, Inc. ("Columbia") filed a request asking that we postpone a planned evaluation of its pilot Customer Choice Program ("Choice Program"). Columbia made its request pending a decision to either terminate or revise the Choice Program. This docket was reopened for the purpose of soliciting comment on Columbia's request from the parties to this case. Comments were filed by Interstate Gas Supply, Inc. ("IGS") and the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. ("CAC").¹

DISCUSSION

IGS states that it and Columbia have discussed possible modifications to the Choice Program, modifications which may make the planned evaluation/audit a wasteful use of the Commission's resources. IGS also states that the possible proposal of a revised Choice Program might obviate the need for a Commission evaluation of the existing Choice Program. It requests that we stay, for the time being, our planned audit of the pilot Choice Program.

¹ IGS and the CAC Buyers' Club are the two natural gas marketers presently participating in the Choice Program.

CAC states that it has no objection to Columbia's request to postpone the evaluation. It supports allowing Columbia time to decide whether to let the pilot Choice Program terminate or to file a request to continue the program with modifications.

We are persuaded to grant Columbia's request to postpone our evaluation of the pilot Choice Program. However, a decision on a possible evaluation cannot be postponed indefinitely. It is possible, as IGS suggests, that circumstances will dictate that an evaluation may not be needed. However, it is also possible that an evaluation may be required and that the scheduled March 31, 2005 termination date of the pilot could affect the scope and thoroughness of such an evaluation. Accordingly, in order to be able to evaluate the pilot Choice Program in a timely manner, if necessary, we find that Columbia should be required to file a detailed status report on its plans regarding the future of the Choice Program within 60 days from the date of this Order.

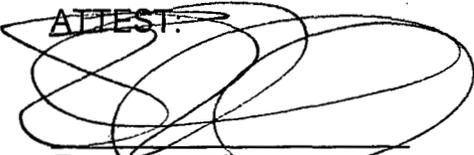
IT IS THEREFORE ORDERED that:

1. Columbia's request that the Commission postpone its planned evaluation of Columbia's pilot Choice Program is granted.
2. Columbia shall, with 60 days from the date of this Order, file a detailed status report on its plans regarding the future of its Choice Program.

Done at Frankfort, Kentucky, this 20th day of July, 2004.

By the Commission

ATTEST.


Executive Director

RECEIVED

JUL 0 1 2004

PUBLIC SERVICE
COMMISSION

July 1, 2004

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

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.29/Mcf thru March 2005

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

The CAC Buyers Club ceased operations on June 30, 2004 and is closing its business.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 8 2004

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,) CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE) 1999-00165
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

INTERSTATE GAS SUPPLY, INC.'S COMMENTS
REQUESTING THE COMMISSION TO STAY ITS AUDIT OF
THE COLUMBIA GAS OF KENTUCKY, INC. CHOICE PROGRAM

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 8 2004

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,) CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE) 1999-00165
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

**INTERSTATE GAS SUPPLY, INC.'S COMMENTS
REQUESTING THE COMMISSION TO STAY ITS AUDIT OF
THE COLUMBIA GAS OF KENTUCKY, INC. CHOICE PROGRAM**

In response to the Commission's request set forth its June 1, 2004, Order, Interstate Gas Supply, Inc. ("IGS") respectfully submits that the Commission should, for now, stay its performance of an audit of the Columbia Gas of Kentucky, Inc. ("Columbia") Small Volume Gas Transportation Service Program ("Choice Program"). As discussed below, the Commission's staying of this audit is in the public interest.

In its January 27, 2000, Order in this case that initially approved the Choice Program, the Commission indicated that it would initiate an audit to evaluate all aspects of the Choice Program prior to its conclusion. As to the rationale for the audit, the Commission explained:

In order for rates to be as transparent as possible at the earliest possible time, the Commission finds that a review of costs and rates should be initiated before the end of the proposed five-year program period. . . . Because such information will be available at the time, the Commission will then begin the process of retaining an outside consultant, as authorized by KRS 278.255, to review all aspects of the Customer Choice Program, to review the issue of a competitive marketplace, and to conduct a fully allocated cost-of-service study that will show what, if any, rates will need to be rebalanced in order to correctly represent costs to provide service.

In addition to the cost review process that will begin at the end of the three-year period and conclude prior to the end of the five-year pilot period, any necessary modifications to the program itself and approved financial model will also be considered. The cost recovery that has occurred through the acceptable revenue opportunities of capacity assignment, balancing charges, off-system sales, and marketer contributions will be reviewed, and a recommendation made as to whether this method of stranded cost recovery should be continued or modified. Once the consultant's review and report have been completed, the Commission will initiate a proceeding wherein Columbia and other parties may address the results of the consultant's report and other issues relating to the Customer Choice program as identified by the Commission at that time.¹

The above-quoted language demonstrates that the Commission intended to initiate the audit to evaluate the operation, management, and value of the Choice Program.

The record in this case demonstrates that Kentucky consumers have derived benefits from the Choice Program, and so has the Kentucky economy. Indeed, the Commission's analysis concluded that "customers that switched to a marketer have, in the aggregate, saved on their gas bill."² Beyond the aggregate actual cost savings to consumers, Kentucky consumers place a premium on the other values that they derive from the Choice Program, such as receiving a fixed rate for gas and having a choice of competitive suppliers. The sheer volume of migration (upwards of 30%³) to competitive suppliers among eligible consumers reveals that Kentucky consumers receive value from participating in the Choice Program.

Kentucky consumers desire the Choice Program, and have come to rely on its many benefits. However, Columbia's filings in this case also demonstrates that operational and administrative changes to the pilot Choice Program are necessary in order to make Columbia a neutral, or perhaps supportive, partner in the success of the Choice Program. In recognizing

¹ See January 27, 2000, Order.

² See, September 25, 2003, Order at pg. 4.

³ See, e.g., May 2002 and May 2003 Choice Program Annual Reports issued by Columbia.

customers' desire for the Choice Program, Columbia and IGS met on June 7, 2004, and discussed modifications to the current program for purposes of its continuation, which would address Columbia's operational and risk needs while ensuring adequate flexibility to competitive suppliers and the continued development of the competitive marketplace in Columbia's service territory. It is IGS's desire that the Choice Program be continued in a manner that mitigates Columbia's related risks, thereby providing Columbia with incentives to allow its consumers to enjoy the many competitive benefits of the Choice Program.

Accordingly, interested parties will be engaging in discussions to design proposed revisions to the existing Choice Program for purposes of its continuation, which revisions will be presented to the Commission for its consideration. While parties engage in such discussions, IGS respectfully submits that it would be wasteful of the Commission's resources to audit a program for which proposed modifications are being designed. Moreover, to the extent the interested parties are able to agree upon modifications to the Choice Program for its continuation, the Commission could then determine whether or not it desires to audit a program for which stipulated-to revisions have been proposed, or whether the Commission desires to audit some approved revised program after the parties have operated under the revised structure. In other words, the parties' proposal of a revised Choice Program might obviate the need for the

Commission to evaluate the current program. Therefore, IGS respectfully requests the Commission to stay, for now, its performance of an audit of the pilot Choice Program.

Respectfully submitted,



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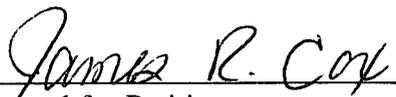
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Interstate Gas Supply, Inc.'s Comments Requesting the Commission to Stay its Audit of the Columbia Gas of Kentucky, Inc. Choice Program was mailed, postage prepaid, on June 8, 2004, to the below listed persons.


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COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

RECEIVED
JUN 08 2004
PUBLIC SERVICE
COMMISSION

In the Matter of:)
)
THE TARIFF FILING OF COLUMBIA GAS)
OF KENTUCKY, INC. TO IMPLEMENT A)
SMALL VOLUME GAS TRANSPORTATION)
SERVICE, TO CONTINUE ITS GAS COST)
INCENTIVE MECHANISMS, AND TO)
CONTINUE ITS CUSTOMER ASSISTANCE)
PROGRAM)

CASE NO. 1999-00165

CAC'S RESPONSE TO COMMISSION'S JUNE 1, 2004 ORDER

Comes Community Action Council for Lexington-Fayette, Bourbon, Harrison and
Nicholas Counties, Inc. (CAC), and in compliance with the order of the Commission dated June
1, 2004, hereby states as follows:

CAC has no objection to the request by Columbia Gas of Kentucky, Inc. to postpone the
evaluation of the Choice Program in order to allow the company to decide whether to let the term
of the pilot Choice Program expire or to file request to continue it with modifications.



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(859) 253-9824

ATTORNEY FOR CAC

CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing document has been served on the parties to this proceeding by mailing the same to the following persons:

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Lexington, KY 40576

James R. Cox, Esq.
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Louisville, KY 40207

on this the 4th day of June, 2004.



JOE F. CHILDERS

Ernie Fletcher
Governor



LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission

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Telephone: (502) 564-3940
Fax: (502) 564-3460
June 1, 2004

Honorable John W. Bentine
Attorney at Law
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Columbus, OH 43215-4213

RE: Case No. 1999-00165

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

TD/sa
Enclosure

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Honorable Richard S. Taylor
Attorney at Law
Capital Link Consultants
225 Capital Avenue
Frankfort, KY 40601

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
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TO CONTINUE ITS GAS COST INCENTIVE)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

ORDER

On April 20, 2004, Columbia Gas of Kentucky, Inc. ("Columbia") filed a letter requesting that the Commission postpone its planned evaluation of Columbia's pilot Customer Choice Program ("Choice Program"). Columbia made the request to postpone the audit process to allow it time to decide whether to let the term of the pilot Choice Program expire or to file a request to continue it with modifications. Columbia stated that it was planning to meet with interested parties prior to making such a decision. The Commission has reopened this docket for the purpose of soliciting comment from all parties to this proceeding prior to acting on Columbia's request.

DISCUSSION

In its September 25, 2003 Order in this case, which approved the continuation of the Choice Program through March 31, 2005, the Commission stated that it would initiate the process to retain an external consultant to evaluate the Choice Program, pursuant to KRS 278.255, prior to the end of the 2003-2004 heating season. Columbia was notified in a March 22, 2004 letter from the Commission's Executive Director of the Commission staff's plans to initiate the consultant selection process for that evaluation. Copies of the Executive Director's March 22, 2004 letter and Columbia's April 20, 2004

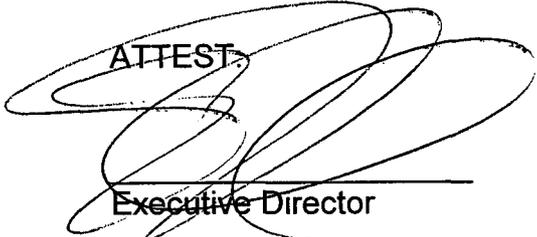
letter, which contains its request to postpone the evaluation of the Choice Program, are attached to this Order.

IT IS THEREFORE ORDERED that all parties shall file their responses to Columbia's April 20, 2004 request to postpone the evaluation of the Choice Program within seven days from the date of this Order.

Done at Frankfort, Kentucky, this 1st day of June, 2004.

By the Commission

ATTEST


Executive Director

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

June 1, 2004

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

Drop Box
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JUN 01 2004

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.29/Mcf thru March 2005

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

CAC Buyers Club - \$7.77/Mcf for new customers; \$9.90/Mcf for Tier 2 customers

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Dawn McGee

Columbia Gas[®]
of Kentucky

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Fax: (859) 288.0258

June 1, 2004

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

Drop Box
RECEIVED

JUN 0 1 2004

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits its annual report on its Customer CHOICESM program. An original and six copies are enclosed.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,

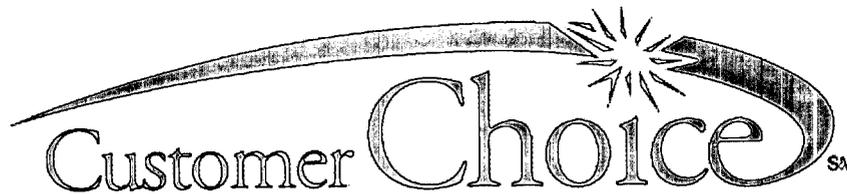


Judy M. Cooper
Director, Regulatory Policy

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JUN 0 1 2004

PUBLIC SERVICE
COMMISSION



Make a Choice. Take Control.

**Columbia Gas of Kentucky, Inc.
Customer ChoiceSM Program
Annual Report**

June 1, 2004



Make a Choice. Take Control.

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JUN 0 1 2004

PUBLIC SERVICE
COMMISSION

**Columbia Gas of Kentucky, Inc.
Customer ChoiceSM Program Annual Report
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Introduction

Columbia Gas of Kentucky's ("Columbia") application requesting approval of its Customer Choice Program described an annual report to be filed with the Kentucky Public Service Commission ("Commission"). This fourth annual report will summarize the Program and its progress over the last year. In addition, the report will benchmark the progress of the Program so far against the six stated goals of the Program as listed in Columbia's initial Choice Application.

Columbia identified six primary goals that it believed would be critical to the success of the Program. These goals were used as a guide when developing the details of the Program with the Customer Choice Collaborative and stated clearly in the application to the Commission. The members of the Collaborative are the Office of the Attorney General of the Commonwealth of Kentucky, the Lexington-Fayette Urban County Government, and the Community Action Council for Fayette, Bourbon, Harrison and Nicholas Counties. In addition, FSG Energy Services, a marketing subsidiary of Wisconsin Public Service Resources Corporation, provided valuable input as well. The stated goals are listed below along with a summary of the progress to date on each.

- The program must provide an opportunity for customers to save money on their gas bills.

At the time of the filing of the first Customer Choice annual report Columbia was extremely pleased with the level of customer savings through the first six months of the Program. Customers had saved a total of \$1,458,148 on gas costs from November 2000 through the first six months. To put this into perspective, the typical residential customer using an average of 8 MCF per month throughout the year paid \$59.29 per month for natural gas from Columbia. This same customer would have saved more than \$71 over a full year if enrolled under the 10% off of Columbia's gas cost offer accepted by most customers. In effect, this customer would have saved enough through the Customer Choice Program to have received more than one month's gas free.

Tight supplies causing higher wholesale natural gas prices combined with record-breaking cold temperatures in December 2001 focused customers on their gas bills, particularly the gas cost portion of the bill. Combined with easy to understand, no-risk offers from marketers such as 10% off of Columbia's gas cost prompted customer enrollments into Choice at a pace far exceeding everyone's expectations. Enrollment peaked in January 2002 at 52,639 customers or nearly 38% of eligible customers. As of May 2003, the latest numbers available, 45,374 customers representing approximately 32% of eligible customers had enrolled with a marketer. This is a decline of 7,265 customers, or almost 14% of participating customers from January 2002. As was reported last year, customer enrollments have continued to decline.

As was the case last year, wholesale prices have continued their volatility. At the same time, marketers have offered fixed price rates to new customers which were generally near to Columbia's but re-enrollments were offered at different rates. Customers had a choice of rates from two or three marketers throughout the year. The trend toward net customer savings begun in April 2003 reversed again in December 2003. For numerous customers, the fixed price rate they paid exceeded Columbia's gas cost. As a result, Choice customers have now paid a total of

\$3,016,726 more in gas costs than they would have had they been a sales customer of Columbia. This is a grand total from the beginning of the program through March 2004.

- The program should provide marketers with as much flexibility as is possible to provide customers savings by allowing them to serve customers using their own interstate pipeline capacity.

Once a marketer is deemed credit-worthy to participate in the Choice Program, Columbia and the marketer execute an aggregation agreement. According to the terms of these aggregation agreements, marketers agree to contract for firm, primary point delivery entitlements on the interstate pipeline. Under the aggregation agreement Columbia has the right and the obligation to contact marketers and ask that they verify their contracts for firm pipeline entitlements.

In early January 2002, Columbia sent letters to the two marketers serving Choice volumes with the marketers' own capacity requesting verification of their firm pipeline contracts. It became apparent that those marketers did not obtain the required firm, primary point delivery entitlements on the interstate pipeline.

The lack of the marketers to provide verification prompted Columbia to seek to amend its tariff for Small Volume Aggregation Service. In Docket No. 2002-00117, Columbia requested that the Commission eliminate the "grandfathering" of Phase I volumes and permit Columbia to require marketers to take mandatory assignment of Columbia's capacity for all Choice volumes. One marketer protested Columbia's proposal and expressed the necessity for balance between Columbia's needs and those of Choice suppliers to capture savings for end-users. Columbia and the marketer entered into a Settlement that was approved by the Commission on January 13, 2003. Marketers now take assignment of minimum levels of Columbia's storage and transportation capacity and undergo a prospective capacity audit applicable to the winter season. If the audit determines that the marketer does not have the required firm pipeline contracts, Columbia can assign capacity to meet the marketer's capacity shortfall and the marketer is required to accept the assignment.

- The program should be revenue neutral for Columbia, and must allow Columbia to recover its stranded costs and incremental program expenses.

Columbia believes that this goal is as appropriate today for the pilot program the same as it was when the program was designed.

- The recovery of stranded costs must be as transparent to the customer as possible to permit the customer to make a clear and understandable choice between the marketer's offer and Columbia's sales rate.

Columbia continues to believe that this goal is as appropriate today as it was when the Program was designed and that this goal has been accomplished through the model approved by the Commission.

- Customers who choose to continue to purchase their gas supply using Columbia's traditional sales service should not incur any additional charges because of the implementation of the Customer CHOICE Program.

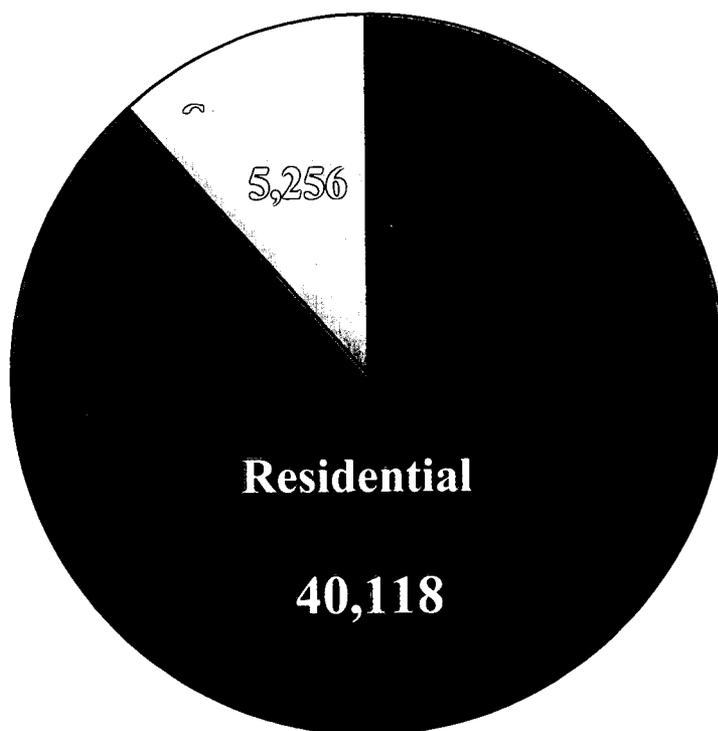
This goal also continues to be as appropriate today as it was when the Program was designed.

- Customer education is critical to the success of the program and customers must have an opportunity to learn about the program for a period of time before they begin to receive offers from marketers.

This goal was also accomplished by the Commission allowing for a customer education period prior to when marketers would be allowed to contact customers and enroll them into the Program.

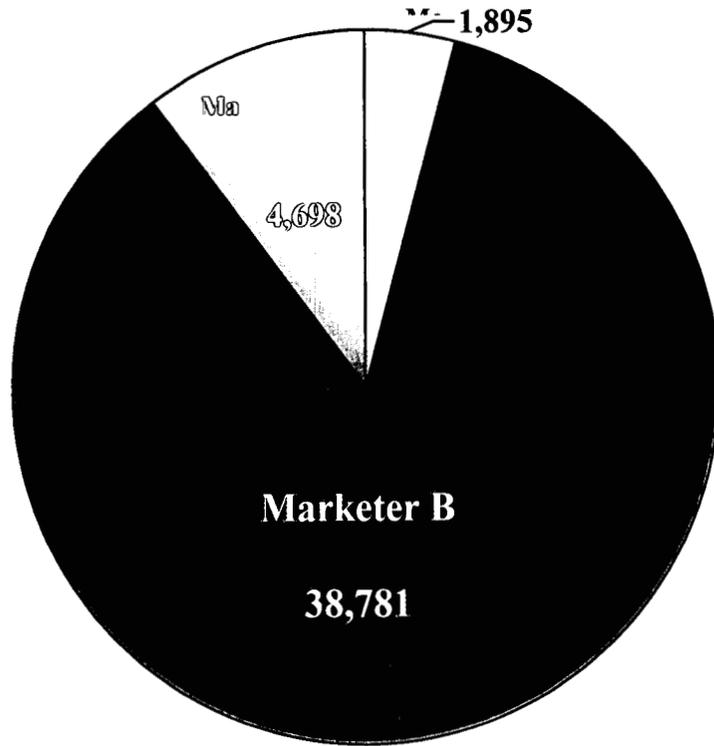


Residential & Commercial Customer Participation



As of May 15, 2004

Marketer Enrollment

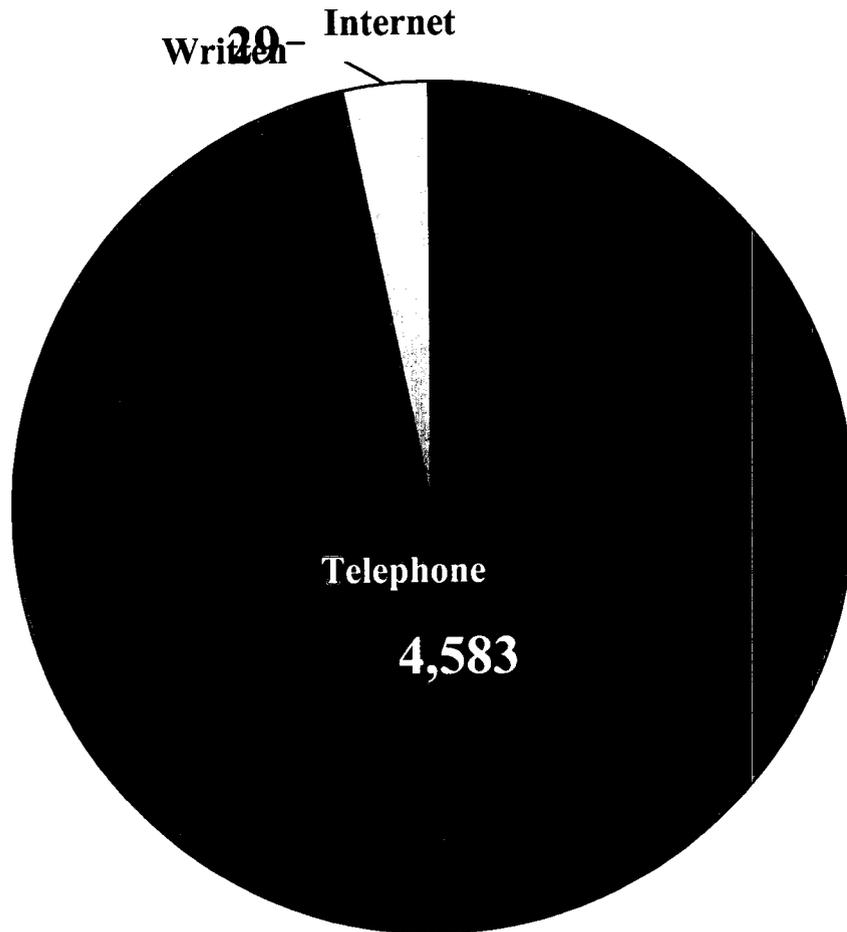


Note: In an effort to avoid undue influence in a competitive market, marketer data for this report will not be identified by specific marketer name.

As of May 15, 2004



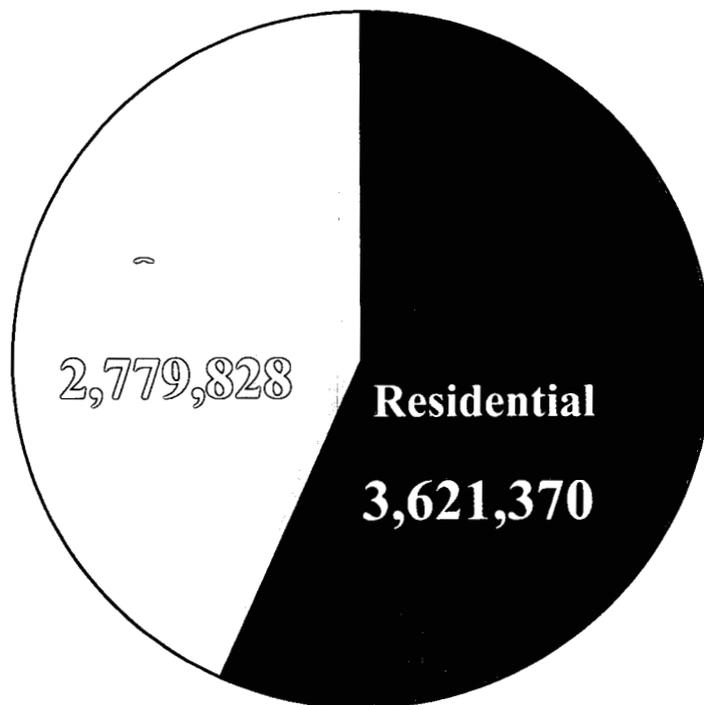
Methods of Enrollment



As of May 15, 2004



Total Volumes Purchased
From Marketers By
Participating Customers
(Mcf)

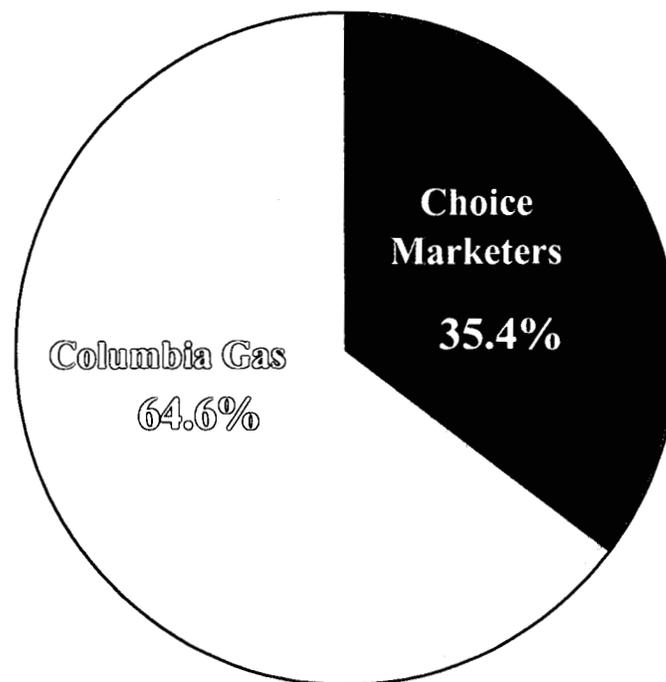


Total = 6,401,198 Mcf Annually

As of May 30, 2004



Percentage of Customer Participation By Volume



35.4 percent of total eligible throughput is being supplied by a Choice marketer.

As of May 15, 2004

Certified Marketers

Community Action Council Buyers Club, Inc.

Judy Dennis

P.O. Box 11610

Lexington, KY 40576

800-244-2275

Interstate Gas Supply, Inc.

Dave Burig, Customer Choice Program Director

5020 Bradenton Avenue

Dublin, Ohio 43017

800-280-4474

MxEnergy.com, Inc.

Anita Blake

20 Summer Street

Stamford, Connecticut 06901

800-785-4373

Rates Charged by Marketers

The following marketer rates are not identified by marketer name in order to avoid undue influence in a competitive market.

Marketer	Rates as of 5/1/03
A	\$7.70 per Mcf \$9.90 per Mcf
B	\$7.89 per Mcf \$8.49 per Mcf \$8.29 per Mcf \$7.99 per Mcf \$5.39 per Mcf \$7.49 per Mcf \$8.9466 per Mcf \$7.3593 per Mcf
C	\$6.999 per Mcf \$5.39 per Mcf \$5.05 per Mcf \$8.45 per Mcf \$6.09 per Mcf \$7.99 per Mcf \$7.49 per Mcf \$6.99 per Mcf \$5.99 per Mcf \$5.89 per Mcf \$9.99 per Mcf \$5.49 per Mcf \$8.99 per Mcf

Customer Education

Research conducted in late 2000 indicated strong awareness of the Customer Choice Program among Columbia Gas of Kentucky customers. As a result, the focus of the company's customer education efforts during 2001 and 2002 shifted to keeping customers informed of specific elements of the Choice Program at their request.

Web Site

Columbia's Web site – www.columbiagasky.com – continues to provide customers with an overview of the Choice Program, answers to frequently asked questions, and contact information, including toll-free phone numbers and Web site links, for participating marketers. A convenient Ask Us form is provided for those customers who have more specific questions regarding the Customer Choice Program.

Customers can use the Columbia Gas of Kentucky Web site to request a speaker to address their organization by completing and submitting an online speaker request form.

Community Presentations

As knowledge of the Customer Choice Program increased, the number of requests for speakers on the subject declined. Columbia representatives remain available to make presentations, answer questions and providing information about the Choice Program. Columbia continues to provide this service for organizations who request it.

Media Requests

Requests for interviews by print and electronic media were numerous following the announcement of the Customer Choice Program, but as customers became more educated about the program and its newness wore off, media coverage has decreased.

Customer Contact Center Training

Columbia Customer Service Specialists in the Lexington Customer Contact Center are updated regularly on the Customer Choice Program. The Customer Contact Center received 5,064 calls from May 2003 through April 2004 from customers seeking information about the Customer Choice Program.

Stranded Costs

The amount of stranded costs incurred under the program to date; and the amount of revenue, to date, realized from opportunities developed to off-set stranded costs under the program.

Transition Capacity Costs	\$25,763,959
Information Technology Costs	\$94,208
Education Costs	\$232,485
Total	\$26,090,652

Revenue to Off-Set Stranded Costs

Revenues Generated to Recover Stranded Costs, to date:

Off-System Sales	\$8,272,517
Balancing Charge	\$2,427,343
Marketer Contribution	\$1,085,425
Capacity Assignment	\$17,281,857
Total	\$29,067,141

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

May 5, 2004

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED

MAY 06 2004

PUBLIC SERVICE
COMMISSION

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.29/Mcf thru March 2005

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

CAC Buyers Club - Currently not enrolling new customers

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee

Columbia Gas[®]
of Kentucky
A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

May 5, 2004

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED

MAY 06 2004

PUBLIC SERVICE
COMMISSION

Dear Mr. Dorman:

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CAC Buyers Club - Currently not enrolling new customers

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Dawn McGee

C

Columbia Gas[®]
of Kentucky
A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

April 20, 2004

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

RECEIVED

APR 20 2004

PUBLIC SERVICE
COMMISSION

Dear Mr. Dorman:

Columbia Gas of Kentucky, Inc., is in receipt of your March 22, 2004 letter regarding the process to retain a consultant to evaluate the Customer Choice program, pursuant to the Commission's Order in Case No. 1999-00165. The purpose of this letter is to request that the Commission postpone the audit process pending a decision by Columbia that would confirm discontinuance of the program or provide reasonable certainty that Columbia intends to file a revision to the pilot program.

The Customer Choice program was, developed in collaboration with the Office of the Attorney General of the Commonwealth of Kentucky, the Lexington-Fayette Urban County Government and the Community Action Council for Fayette, Bourbon, Harrison and Nicholas Counties along with FSG Energy Services, a marketing subsidiary of Wisconsin Public Service Resources Corporation. In April 1999 Columbia filed its initial application seeking Commission approval of the pilot program. At that time, there was significant momentum in the energy industry and among some regulators for initiatives such as the pilot program, which provide customers with a choice of commodity suppliers.

The Commission did not approve Columbia's program as proposed, but offered a modified program if Columbia chose to accept it. Columbia voluntarily accepted the pilot program and those customers who chose to participate began purchasing natural gas from approved marketers in November 2000. In December 2000 and into 2001, natural gas prices spiked drastically. With the ensuing volatility of natural gas prices, the "Enron" fallout, the well-publicized problems with the Atlanta Gas Light program, and the troubling deregulation experiences in California, the zeal appears to have waned among some industry sectors and some regulators for this type of "deregulated" commodity option. While there are some success stories, the environment is much different today than it was five years ago when Columbia initially sought approval of its pilot program.

Columbia's Customer Choice program is the only program of its kind in Kentucky. It is scheduled to terminate on March 31, 2005, pursuant to Commission order. Columbia is planning to meet with interested parties prior to making a decision on whether the pilot program should be allowed to expire or whether to request that the program be continued, most likely with modifications. If Columbia decides to seek a continuation of the Choice program, it will need to notify the Commission in the Fall of this year and make the necessary filings. Because of the current uncertainty regarding the continuation of its Customer Choice program, Columbia requests that the Commission suspend its planned audit of the Choice Program, pending Columbia's decision its future.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Joseph W. Kelly
President

A handwritten signature in black ink, appearing to read "Joe Kelly", written over a circular stamp or mark.

C
Columbia Gas
of Kentucky
A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

April 5, 2004

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Drop Box
RECEIVED

APR 6 2004

PUBLIC SERVICE
COMMISSION

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.29/Mcf thru March 2005

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

CAC Buyers Club - Variable price \$7.77 per Mcf for new customers, \$9.90 for Tier 2 customers

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Dawn McGee

1999-00165



Ernie Fletcher
Governor

Lajuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

March 22, 2004

Mr. Joe Kelly, President
Columbia Gas of Kentucky
2001 Mercer Road
Lexington, KY 40512-4241

Dear Mr. Kelly:

In its September 25, 2003 Order in Case No. 1999-00165, the Commission stated that prior to the end of the 2003-2004 heating season, the Commission would initiate the process to retain an external consultant to evaluate the Customer Choice pilot program pursuant to KRS 278.255. The purpose of this letter is to notify you that the Commission staff is initiating the consultant selection process.

To that end, the Commission staff would like to schedule a conference with you and other appropriate employees of Columbia Gas of Kentucky to discuss the tentative schedule and scope for the review as well as the audit process. This meeting should be held no later than April 15, 2004 so that the audit can be completed and considered by the Commission in a timely fashion.

Please contact Aaron Greenwell or Jeff Shaw of my staff at 502-564-3940 prior to the end of March 2004 to schedule this conference. As always, feel free to contact me with any questions or concerns.

Sincerely,

Thomas M. Dorman,
Executive Director

Columbia Gas[®]
of Kentucky
A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

March 1, 2004

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED

MAR 0 2 2004

PUBLIC SERVICE
COMMISSION

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.29/Mcf thru March 2005

MX Energy -- Fixed price of \$9.99/Mcf thru March 2005

CAC Buyers Club - Variable price \$7.77 per Mcf for new customers, \$9.90 for Tier 2 customers

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Dawn McGee

Columbia Gas[®]
of Kentucky
A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

RECEIVED

MAR 02 2004

PUBLIC SERVICE
COMMISSION

March 1, 2004

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.29/Mcf thru March 2005

MX Energy – Fixed price of \$9.99/Mcf thru March 2005

CAC Buyers Club - Variable price \$7.77 per Mcf for new customers, \$9.90 for Tier 2 customers

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Dawn McGee

Columbia Gas[®]
of Kentucky
A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

March 1, 2004

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$8.29/Mcf thru March 2005

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

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If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Dawn McGee

Columbia Gas[®]
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P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

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JAN 05 2004

PUBLIC SERVICE
COMMISSION

January 5, 2004

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$7.99/Mcf thru October 2004

MX Energy – Fixed price of \$9.99/Mcf thru March 2005

CAC Buyers Club - Variable price \$7.33 per Mcf for new customers, no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee

RECEIVED

DEC 01 2003

PUBLIC SERVICE
COMMISSION

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
Lexington, KY 40512
(859) 288.0215
Fax: (859) 288.0258

December 1, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

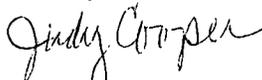
Interstate Gas Supply (IGS) - currently not enrolling new customers

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

CAC Buyers Club - Variable price \$7.33 per Mcf no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Dawn McGee



Paul E. Patton, Governor

Janie A. Miller, Secretary
Public Protection and
Regulation Cabinet

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Martin J. Huelsmann
Chairman

Gary W. Gillis
Vice Chairman

Robert E. Spurlin
Commissioner

Honorable John W. Bentine
Attorney at Law
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

CERTIFICATE OF SERVICE

RE: Case No. 1999-00165
Columbia Gas of Kentucky, Inc.

I, Thomas M. Dorman, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on September 25, 2003.

Executive Director

TD/sa
Enclosure



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

Honorable John W. Bentine
Attorney at Law
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

Honorable David F. Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 2110
Cincinnati, OH 45202

Honorable Douglas M. Brooks
Senior Counsel Specialist, Reg.
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

Mr. Jack E. Burch
Executive Director
Community Action Council
892 Georgetown Street
P. O. Box 11610
Lexington, KY 40576

Honorable Ann Louise Chevront
Assistant Attorney General
1024 Capital Center Drive
Frankfort, KY 40601-8204

Honorable Joe F. Childers
Attorney
201 West Short Street
Suite 310
Lexington, KY 40507

Judy M. Cooper
Manager, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
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209 Breckinridge Lane
Louisville, KY 40207

Honorable John M. Dosker
Attorney at Law
Stand Energy Corporation
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Cincinnati, OH 45202-1629

Mr. Edward W. Gardner
Director Of Litigation
Lexington-Fayette Urban County
Government
Department Of Law
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Lexington, KY 40507

Honorable Stephen B. Seiple
Attorney at Law
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
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Lexington, KY 40512-4241

Honorable Bobby Singh
Attorney at Law
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

Honorable Richard S. Taylor
Attorney at Law
225 Capital Avenue
Frankfort, KY 40601

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
VOLUME GAS TRANSPORTATION SERVICE,	)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

ORDER

On June 6, 2003, Columbia Gas of Kentucky, Inc. ("Columbia") filed a motion seeking approval to terminate its pilot Customer Choice Program ("Choice Program") on March 31, 2004, 7 months prior to the October 31, 2004 termination date originally proposed and approved in this proceeding.¹ Columbia stated that its main reason for proposing early termination was that customers, in total, had not saved money under the Choice Program. Columbia stated that, through March 31, 2003, customers had paid \$3.4 million more in gas costs than if they had not participated in the Choice Program. It also stated that there were operational and storage problems associated with terminating the pilot at the beginning of a heating season and that the optimal time to end the pilot was at the end of a heating season. A number of parties, arguing against the motion, requested intervention, and many protesters filed letters opposing Columbia's motion. Interstate Gas Supply ("IGS"), which supplies natural gas to approximately 90 percent of the Columbia customers participating in the Choice Program, disputed Columbia's claim that customers had not saved money. IGS stated

¹ See Order of March 6, 2000 at 3 and 6.

that its customers had saved more than \$2 million by participating in the Choice Program.

A procedural schedule was established allowing for two rounds of data requests and a public hearing. On August 12, 2003, after the Commission Staff had issued its second data requests to Columbia and IGS, Columbia filed a notice, which the Commission will treat as a motion, to withdraw its motion for early termination of the Choice Program pilot and a request to extend the pilot to March 31, 2005, or 5 months beyond the original October 31, 2004 termination date. Columbia stated that it chose to withdraw its motion in light of concerns expressed by other parties about the proposed termination of the program. It stated that extending the program by 5 months would avoid the operational and storage problems associated with the existing termination date and allow the parties to discuss issues associated with the future of the Choice Program once the pilot comes to its scheduled termination. Columbia stated that, upon receiving approval of the withdrawal of its motion, it would file revised tariffs reflecting the new termination date of the pilot program.

On August 20, 2003, the Commission issued an Order finding that the motion and the filings opposing it had raised the issue of whether customers had benefitted economically by participating in the program. The Order required that responses to the outstanding data requests be filed but rescinded the remainder of the procedural schedule. It also required the Community Action Council of Lexington-Fayette, Bourbon, Harrison and Nicholas Counties ("CAC") to provide information on whether customers supplied gas by the CAC Buyers' Club had saved money on their gas bills by participating in the Choice Program. CAC filed its response on August 27, 2003.

DISCUSSION

The information filed by CAC shows that its customers have saved on their gas bills by participating in the Choice Program. Columbia's and IGS's responses indicate three reasons that their savings calculations differ. Two reasons are fairly minor: (1) As Columbia's and IGS's revenue months differ, their monthly calculations will not agree; and (2) IGS uses the usage and sales data it receives from Columbia to calculate an average rate for its customers. However, even with these differences in methodology, after the first 12 months that IGS was in the program, the two parties' savings calculations for the customers supplied by IGS differed only slightly.²

Starting in December 2001, Columbia's and IGS's calculated savings results for IGS's customers began to differ widely. The difference is due to Columbia's treatment of the tariff provision for the Choice Program that determines whether a customer is charged the Actual Gas Cost Adjustment ("AGCA") component of its Gas Cost Adjustment ("GCA"). If a customer has been in the Choice Program for more than 12 months, the customer is no longer charged the AGCA. The customer will also not be charged the AGCA after switching back to being a Columbia sales customer until 13 months after switching back to Columbia. Columbia calculated savings for customers that had been Choice Customers for more than 12 months by comparing the customer's current bill, as a marketer's customer, to a "shadow bill" that would have applied if the customer had returned to Columbia. While this method demonstrates the difference between the actual bill and the bill that would have resulted if the customer had

² IGS's calculations showed that its customers had saved \$2,502,283, while Columbia's calculations showed \$2,588,969 as the IGS customers' savings.

switched back to Columbia, it does not compare the amount paid to the amount the customer would pay if the customer had not opted to be supplied by a marketer in the first place. A customer that had not switched would have continued to pay Columbia's full GCA, including the AGCA component, a factor that Columbia has not recognized in making its savings calculations.

Based on the responses to the Commission Staff's second set of data requests and our August 20, 2003 Order, we find that the customers that switched to a marketer have, in the aggregate, saved on their gas bills, contrary to what Columbia stated in its filings. We further find that, in light of such savings, it is reasonable for Columbia to extend the pilot phase of its Choice Program 5 months beyond the current October 31, 2004 termination date to March 31, 2005.

In the notice to withdraw its motion for early termination of the Choice Program pilot Columbia states that, if the pilot program operates for an additional winter, the parties will have additional time to discuss the issues associated with the future of the Choice Program. While the Commission is encouraged that the parties will take this action, we remind Columbia and the other parties of the finding in our January 27, 2000 Order that an outside consultant should be retained after the third year of the pilot phase of the program to review all aspects of the Choice Program. Although Columbia's motion for early termination and the filings in response thereto had implications that could have hampered our ability to follow through on that finding, the decision for the pilot to continue through a fifth heating season will allow for a reasonable period of time to select a consultant and obtain a thorough, balanced assessment of the Choice Program pilot. Such an assessment will greatly assist the

Commission in evaluating the various issues associated with the Choice Program prior to the revised termination date of the pilot.

IT IS THEREFORE ORDERED that:

1. Columbia's motion to withdraw its petition for early termination of its pilot program is granted.
2. The pilot phase of Columbia's Choice Program is extended to March 31, 2005.
3. Within 10 days from the date of this Order, Columbia shall file revised tariff sheets reflecting the revised termination date of the pilot program.
4. Pursuant to KRS 278.255, prior to the end of the 2003-2004 heating season, the Commission shall initiate the process to retain an external consultant to evaluate the Customer Choice pilot program.

Done at Frankfort, Kentucky, this 25th day of September, 2003.

By the Commission

ATTEST:


Executive Director

RECEIVED

SEP - 5 2003

Dear Mr. Dorman,

PUBLIC SERVICE
COMMISSION

We, the undersigned are writing to in support of continuing the Columbia Gas of Kentucky, Inc. Choice Program Program Case No. 1999-00165.

Please be on our side - (the consumers). We trust you will follow your mission as the Public Service Commission.

Sincerely,

Marian Broadus
449 - W. 3rd St.
Lexington, Ky. 40508

Vicky Broadus
204 Catalpa Rd.
Lexington, Ky 40502
(859) 266-8898

Judith Broadus
436 W. 2nd St.
Lexington, Ky. 40507

Jimmy Gordon
110 Westwood Dr
Lex, Ky. 40503

Jana Z. Witt
4248 Canterbury Greenway
Lexington, KY 40514

Daniel Lake
539 N. Broadway
Lexington, KY 40508

Pocil Butler
1146 Providence Ln
Lexington, KY 40502

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

September 2, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED

SEP 02 2003

PUBLIC SERVICE
COMMISSION

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - \$8.49 per Mcf thru September 2004

MX Energy - Fixed price of \$9.99/Mcf thru March 2005

CAC Buyers Club - Variable price \$7.67/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

COX BOWLING & JOHNSON PLLC

8303 Shelbyville Road
Louisville, Kentucky 40222
Telephone: 502-423-9998
Facsimile: 502-423-9946

Gillard B. Johnson, III
James R. Cox
Michael D. Bowling
Robert B. Bowling
Edward Lee Bowling
Robert T. Yoakum
Shea Dunn Yoakum

Of Counsel:
D. Eric Lycan

Offices also located at:
Bank One Plaza
201 East Main Street, Suite 1102
Lexington, Kentucky 40507
Telephone: 859-255-7080
Facsimile: 859-255-6903

1319 Cumberland Avenue
Middlesboro, Kentucky 40965
Telephone: 606-248-4666
Facsimile: 606-248-4321

August 28, 2003

RECEIVED

AUG 29 2003

PUBLIC SERVICE
COMMISSION

Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO.
1999-00165

Dear Sir or Madam:

Enclosed please find an original and one copy of our Notice of Change of Address. Please file the original and return the file-stamped copy to me in the enclosed envelope. Thank you for your assistance. ✓ *GH*

Sincerely,

James R. Cox /lm

James R. Cox

JRC/lmm
Enclosure

cc John W. Bentine, Esq. (w/ encl.)
Bobby Singh, Esq. (w/ encl.)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 29 2003

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO.
1999-00165

PUBLIC SERVICE
COMMISSION

NOTICE OF CHANGE OF ADDRESS

Please be advised that the undersigned counsel for Petitioner, Interstate Gas Supply, Inc.
has moved and all future mailings should be directed to:

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FAX: (502) 423-9946

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Change of Address was mailed, postage prepaid, to the below listed persons on the 26th day of August, 2003.



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COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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**INTERSTATE GAS SUPPLY, INC.'S RESPONSES TO
DATA REQUESTS OF COMMISSION STAFF DATED AUGUST 5, 2003**

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COMMONWEALTH OF KENTUCKY

AUG 27 2003

BEFORE THE PUBLIC SERVICE COMMISSION

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**INTERSTATE GAS SUPPLY, INC.'S RESPONSES TO
DATA REQUESTS OF COMMISSION STAFF DATED AUGUST 5, 2003**

Interstate Gas Supply, Inc. ("IGS"), pursuant to 807 KAR 5:001 and the Commission's Order of August 20, 2003, in this docket, submits its responses to the data request of Commission Staff dated August 5, 2003 (Data Requests, "Interrogatories" or "Data Request(s)," IGS's responses, "Response(s)") as follows:

- a. The information supplied in these Responses is not based solely upon the knowledge of the executing party, but includes the knowledge of the party's agents, representatives, and attorneys, unless privileged.
- b. The word usage and sentence structure is that of the attorneys who in fact prepared these Responses and the language does not purport to be the exact language of the executing party.
- c. The Interrogatories have been interpreted and answered in accordance with the Kentucky rules, plain English usage.

- d. IGS reserves the right to amend or supplement these answers as new material information is discovered.

SPECIFIC RESPONSES TO INTERROGATORIES FOLLOW:

Data Request No. 1:

Refer to Item 3(c) of IGS's response to the Commission Staff's First Data Request to IGS and Exhibits C-1 through C-4 of that response. The exhibits indicate that, in its Winter 2000 Marketing Material, IGS marketed a percentage discount to customers while, in its Spring 2001 and Fall 2001 Marketing Material, IGS marketed fixed price products.

a. Is this summary description of IGS's marketing efforts accurate? If no, explain how IGS's marketing efforts differed from this description.

Response to No 1(a): Provided by Scott White, President, IGS.

The provided summary description of IGS's marketing efforts is accurate. Adding detail to the general summary, IGS also marketed in the Spring of 2001 a flexible product that offered a ten percent (10%) discounted savings off Columbia's gas commodity price through September 2001, after which the variable price converted into a fixed price, allowing consumers to have a stable price through the winter period. Indeed, the availability of and access to such products allows Choice Program consumers to control their energy bills, which is why the Choice Program is desirable to consumers. For many Kentucky consumers, stable prices and control over their energy bill is of more value than a discounted savings off Columbia's gas commodity price, which guarantees savings, but because it is variable and volatile, is not as attractive to some consumers.

b. For each of the eight rate products identified in the response, provide the time period when IGS actively marketed the program to customers of Columbia Gas of Kentucky, Inc. ("Columbia").

Response to No 1(b): Provided by Scott White, President, IGS.

The following are IGS's best estimate of the requested time-period's marketing efforts:

- i. 9-20-00 to 2-25-02 guaranteed savings.
- ii. 1-15-00 to 6-15-00 guaranteed savings with fixed rate conversion October 2001.
- iii. 4-15-01 to 8-20-01 7.65 fixed.
- iv. 8-20-01 to 9-30-01 5.99 fixed.
- v. 10-20-01 to 10-30-01 5.49 fixed.
- vi. 10-20-01 to 10-30-01 5.39 fixed.
- vii. 11-01-01 to 2-25-02 5.99 fixed.
- viii. 04-01-03 to 6-15-03 7.89 fixed.
- ix. 04-01-03 to 6-15-03 5 discounted savings percentage off Columbia's price.

c. Provide the number of customers served under each of the eight rate products, by month, starting with December 2000 and continuing through the most recent month available.

Response to No 1(c): Provided by Scott White, President, IGS.

See Exhibit 1, attached hereto.

Data Request No. 2:

Refer to Item 3(d) of the response to Staff's First Data Request to IGS. The second paragraph of the response explains that prices for customers in the first 12 months on the program are compared to Columbia's Expected Gas Cost ("EGC") while after 12 months the comparison is to Columbia's Gas Cost Rate ("GCR"). The third paragraph, in the last sentence, refers to customers who were in the program for 12 months or more, but states that the comparison was to the EGC, not the GCR. Provide an explanation of this apparent discrepancy in the two sections of the response.

Response to No. 2: Provided by Scott White, President, IGS.

For purposes of clarifying IGS's Response to No. 3(d) of IGS's Responses to Staff's First Data Request, the statement made in the last sentence of paragraph 3 of that response was directed to explain the difference in the methodology, used in Exhibits D and E, to determine the actual volumes for comparison to the EGC and the actual volumes for comparison to the GCR. To clarify, the actual volumes for those customers who were in the Choice Program for the first twelve ("12") months are compared to the EGC, while the actual volumes for customers who were or are in the Choice Program for twelve ("12") or more months (or at least twelve ("12") months) are compared to the GCR.

Accordingly, that sentence should read as follows:

"For the revised \$3.1 million savings calculation, IGS, using CKY's monthly DET files, identified the actual customers who had been enrolled in the program for 12 months or more, and used their actual consumption to determine the gas volumes to be compared to the ~~EGC~~ GCR"

Data Request No. 3:

Exhibit A of the response to Staff's First Data Request to IGS indicates that customers participating in the Customer Choice Program of Columbia Gas of Ohio saved an average of 10 percent on the commodity portion of their bills from April 1997 through April 2003. The calculated savings for IGS customers participating in Columbia's program equal approximately 3.5 percent, based on the information in Exhibits D and E of that response. As a marketer in Ohio, provide IGS's explanation for why the percentage of savings for Ohio customers is roughly three times that of Kentucky customers.

Response to No. 3: Provided by Scott White, President, IGS.

IGS believes that the percentage savings for IGS's Columbia Ohio choice program customers "appears" to be roughly three times that of IGS's Columbia Kentucky Choice Program customers for the following reasons:

i. Columbia has significantly undercharged its commodity customers over the past twelve (12) months. Columbia's below-market commodity rate is indicated by the large gas purchase adjustment that will go into effect starting September 2003 through August 2004. Generally, the gas purchase adjustment is the mechanism used to adjust or account for prior-period over-collected or under-collected commodity rates.

Over the past twelve ("12") months, Columbia has kept its GCR significantly below market, which has skewed signals to the marketplace and consumers' shopping decisions. Columbia's upcoming gas purchase adjustment is in excess of \$2.00/Mcf, meaning that on average Columbia understated its commodity prices by an average of \$2.00/Mcf from September 2002 through August 2003.

In effect, the under-collection adjustment could be viewed as additional savings that should have occurred over the same time period. Viewing it as such, IGS estimates that it would have saved its customers an additional \$11,335,120 (approximately \$2.00/Mcf times 5,667,560 Mcf) for a total savings of approximately \$14,455,331 since the beginning of the program.

Viewing it in this way would reflect an average saving of approximately eighteen percent (18%), approximated based on 79,322,000 Mcf divided by \$14,455,331.

ii. The Columbia Ohio choice program has been in existence for a longer time period. During the initial years of the Columbia Ohio program (1997 through 2000), when Columbia Kentucky's Choice Program did not exist, gas prices were much lower in general. Lower natural gas prices affect the dollar value of actual savings for discounted savings rate products. For example, for the same percentage discount offer, the dollar value of discounted percentage savings is greater when prices are lower, than when prices are higher. Looking at it in another way, for example, a marketer who averages a 40-cents/Mcf savings would have saved a customer 10% off a \$4.00 commodity price, but only 5% off an \$8.00 commodity price. For comparative purposes, the GCR cost for Columbia Ohio from August 1997 through August 2000 was \$4.39/Mcf, while the average GCR cost for Columbia Kentucky from September 2000 through May 2003 was \$6.831/Mcf.

iii. Lastly, there are more active suppliers and more competition among choice suppliers on Columbia Ohio's choice program. Increased competition increases the opportunity for savings, among other benefits. The higher supplier participation rates on Columbia Ohio's system may be because marketers have a greater level of comfort in the Ohio program and, therefore, may be more likely to invest in marketing to Ohio choice consumers.

Data Request No. 4:

Refer to Exhibits D and E of the response to Staff's First Data Request to IGS. Earlier in the responses IGS explains the differences in how the exhibits were prepared and points out that Exhibit E includes May 2003 while Exhibit D only goes through April 2003. It appears that using a different methodology in Exhibit E, absent the addition of May 2003, reduces the calculated net savings from the \$2.79 million in Exhibit D to \$2.57 million. Is this statement accurate? If no, explain why.

Response to No. 4: Provided by Scott White, President, IGS.

Yes, the methodology in Exhibit E, absent the addition of May 2003, reduces the calculated net savings to \$2.57 million, from the \$2.79 million in Exhibit D. The calculated savings change between Exhibits, because, with more information from Columbia's monthly DET files, IGS was able to use a more detailed methodology to allocate volumes. The volumes changed, because, by tracking individual customers, more volumes were compared to the EGC than the GCR, resulting in a slightly lower savings for the same time period.

Data Request No. 5:

Refer to Exhibits D and E of the response to Staff's First Data Request to IGS. The savings to customers in the first 4 months it participated in the program (December 2000 through March 2001) were \$1.8 million while savings in the final 3 months shown in Exhibit E (March 2003 through May 2003) were \$2.86 million. These two amounts, from just 7 of the 30 months that IGS participated in the program, total roughly \$4.7 million, while the overall savings for the full 30 months is shown as \$3.1 million. Those months also represent the seven highest individual monthly savings amounts during this period. Explain why these results occurred and describe the factors that contributed thereto.

Response to No. 5: Provided by Scott White, President, IGS.

There are three factors that determine or influence the dollar amount of the monthly savings, which are: IGS's price, Columbia's variable commodity price, and volumes consumed. Looking back at the savings analysis, there are several notable observations, which are presented below, along with an explanation addressing the seven months in question.

A comprehensive review shows that IGS's customers saved money eighteen ("18") of the thirty ("30") months, with the total savings for the eighteen ("18") months equaling \$5,694,510.00, and the negative savings for the twelve ("12") months equaling \$2,574,298.00. Columbia's commodity prices ranged from a high of \$9.552/Mcf to a low of \$4.783/Mcf, resulting in a volatile \$4.769/Mcf differential between the highest and lowest price. On the other hand, IGS's prices (as a monthly customer average) were more stable, ranging from a high of \$8.027/Mcf to a low of \$5.385/Mcf, resulting in a much smaller differential of \$2.642/Mcf between the highest and lowest price.

Further, Columbia's non-weighted average price was \$6.737/Mcf. During the eighteen ("18") months that IGS captured savings for its customers, Columbia's average commodity price was \$7.706/Mcf, while during the other twelve ("12") months Columbia's commodity price was only \$5.519/Mcf. On the other hand, IGS's non-weighted average price was \$6.228/Mcf. During the eighteen ("18") months that IGS captured savings for its customers, IGS's average monthly price was \$6.58/Mcf, while during the other twelve ("12") months, IGS average monthly price was \$5.70/Mcf. It is noteworthy that during the twelve ("12") months in which IGS's customers did not realize savings, IGS had a lower average monthly price than during the eighteen ("18") months in which customers realized savings.

Based on the above observations, IGS concludes that the following factors contributed to the fluctuation in savings from month-to-month:

- i. Many of IGS's customers are on one-year term fixed priced options, which are more stable.
- ii. Columbia's commodity price changes quarterly, based in part on market conditions and collection adjustments.
- iii. Generally, when wholesale market prices increase, Columbia's price also increases, and vice versa.
- iv. Inasmuch as IGS's price is generally more stable than Columbia's price, the total savings per month is more a function of Columbia's commodity price than what IGS charges its customers.

The above discussion helps address the question concerning savings in the first four ("4") months and last three ("3") months, in relation to the other months. The Choice Program began during a period when wholesale prices began increasing, which resulted in high rates for

Columbia during the first eight ("8") months of the program. The initial four ("4") months offered the largest dollar value savings, but customers saved money in the first eight ("8") months and in eleven ("11") of the first twelve ("12") months. The larger savings in the first four ("4") months relative to the remainder of the year is a derivative of larger seasonal consumption and Columbia's price volatility. The savings during the last three ("3") months is due to an increase in wholesale market prices, which increased Columbia's commodity price as well. The lesser savings during September 2002 through February 2003 is a reflection of Columbia's under-priced commodity during the same period (*see* IGS's Response to No. 3, herein) relative to IGS's market-based rate products.

In conclusion, the value of the Choice Program to Kentucky consumers should not be entirely dependent on actual savings, but rather on having control over their energy prices. Competitive choices bring new rate products that appeal to consumers and allow consumers to control their bills and capture their opportunity for savings in a manner that they are most comfortable with, i.e. through a fixed price rate or guaranteed discounted savings rate. Ultimately, the savings that IGS can capture for its customers depends on what products consumers select, the accuracy of price signals that Columbia's commodity price sends to the marketplace, and the wholesale market in general.

Data Request No. 6:

Refer to Item 10(b) of IGS's response to Columbia's Initial Data Request to IGS where is objects to and declines to provide the cost of the software in which it has invested to serve Kentucky customers. IGS states that the cost of the software is not "reasonably calculated to lead to the discovery of admissible information." It also indicates that the information is confidential and proprietary.

a. Given that IGS referred to its "substantial" investment in software in its petition in this proceeding, explain why it claims that providing the cost is not reasonably calculated to lead to the discovery of admissible information.

Response to No 6(a): Objections by Counsel, Response by Scott White, President, IGS.

IGS is the largest marketer on the Columbia Choice Program, and has obviously made investments in order to participate in and make the program a success, which is relevant as an indication of the value it has added and its commitment to the Choice Program and its customers. IGS's investments include its costs of developing software; providing customer service; and marketing and customer acquisition cost, such as mailing offers and educational materials. However, the actual value of IGS's investments is not relevant to whether the Choice Program has met its stated goals and should, therefore, be continued. These costs are also not relevant to the issue of Columbia's assertions that the Choice Program should be discontinued, because Columbia asserts that customers have not saved by participating in the program. These are the relevant issues in this proceeding relative to responses to discovery. Accordingly, for purposes of the scope of this proceeding, the actual value of IGS's investments is not reasonably calculated to lead to the discovery of admissible evidence.

b. Explain whether IGS believes its investment in software to serve its Kentucky customers is relevant to this proceeding. If no, explain why a reference to this investment was included in IGS's petition. If yes, explain why IGS should not provide the cost. IGS is reminded that there are provisions for requesting confidential treatment of information that is confidential and proprietary.

Response to No 6(b): Objections by Counsel, Response by Scott White, President, IGS.

See Response to No. 6(a). Answering further, IGS is aware that the Commission's procedures allow for the confidential treatment of proprietary information; however, only information relevant to the scope of the proceeding need be provided, and for which confidential treatment need be requested.

Data Request No. 7:

Refer to Item 10(f) of IGS's response to Columbia's Initial Data Request to IGS where it objects to and declines to provide the cost of the customer service department in which it has invested to serve Kentucky customers. IGS states that the cost is not "reasonably calculated to lead to the discovery of admissible information." It also indicates that the information is confidential and proprietary.

a. Given that IGS referred to its "substantial" investment in the customer service department in its petition in this proceeding, explain why it claims that providing the cost is not reasonably calculated to lead to the discovery of admissible information.

Response to No 7(a): Objections by Counsel, Response by Scott White, President, IGS.

See Response to No. 6(a).

b. Explain whether IGS believes its investment in the customer service department to serve its Kentucky customers is relevant to this proceeding. If no, explain why a reference to this investment was included in IGS's petition. If yes, explain why IGS should not provide the cost. IGS is reminded that there are provisions for requesting confidential treatment of information that is confidential and proprietary.

Response to No 7(b): Objections by Counsel, Response by Scott White, President, IGS.

See Response to No. 6(b).

Respectfully submitted,



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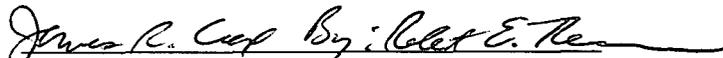
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Interstate Gas Supply, Inc.'s Responses to Data Requests of Commission Staff of Dated August 5, 2003, was mailed, postage prepaid or by overnight mail to the below listed persons on August 27, 2003.


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IGS Exhibit 1 - Staff Data Request of August 5, 2003

RateCode	2000	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
IGK01/10%													12013
	2001												
IGK01/10%		12857	13882	23445	29801	32894	33367	33121	32726	32445	17037	17884	8154
IGK02/12%			5	5	5	6	6	7	7	7	7	6	7
IGK03/Nym+1.75			3	3	3	3	3	3	3	3	3	3	3
IGK04/7.65						130	2196	2472	2532	2518	2421	2344	2323
IGK05/5.99										151	18298	19545	19374
IGK07/5.49												517	10987
IGK08/5.39												332	2811
	2002												
IGK01/10%		5086	3831	2996	2954	2909	2855	2817	2766	2694	2666	1305	629
IGK02/12%		4	4	3	3	3	3	3	3	3	3	1	
IGK03/Nym+1.75		3	3	3	3	3	3	3	3	3	3	3	3
IGK04/7.65		2194	2117	2044	2001	1830	274	68	21	1	1	1	
IGK04/6.383													
IGK05/5.99		19063	18879	18653	18436	18053	19599	68	19329	19060	18576	18146	18003
IGK07/5.49		18824	10914	10832	10729	10526	10006	9892	9803	9695	9600	9264	8644
IGK08/5.39		6951	7096	6991	6922	7016	6942	9892	9803	9695	9600	9264	8644
IGK09/5%		26	1092	2013	2079	2411	2434	2451	2444	2574	2601	4433	5399
	2003												
IGK01/10%		27	6	6	5								
IGK01/7.89						10	881						
IGK03/Nym+1.75		5	5	5	5	5	5						
IGK04/6.383		5773	5833	5725	5671	5620	5555						
IGK05/5.99		17709	17577	17444	15893	14227	14050						
IGK07/5.49		8279	1049	4									
IGK07/7.99					4	1515	1487						
IGK08/5.39		90	80	76	75	3	3						
IGK09/5%		6321	6349	6324	6289	6228	6286						
IGK11/.6438			7180	8174	8093	8035	7944						
IGK12/.6983		161	156	156	157	153	150						
IGK13/7.49					1417	1475	1454						
IGK14/.6483		231	231	229	222	219	214						

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
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August 27, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED
AUG 27 2003
PUBLIC SERVICE
COMMISSION

RE: Case No. 1999-00165

Dear Mr. Dorman:

Please find enclosed an original and eight copies of Columbia's Responses to the Commission's Second Data Request pursuant to the Orders of August 5, 2003 and August 20, 2003. A Certificate of Service is attached hereto.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper
Manager, Regulatory Policy

CERTIFICATE OF SERVICE

RECEIVED
AUG 27 2003
PUBLIC SERVICE
COMMISSION

I hereby certify that a copy of the foregoing Columbia Responses to Data Requests was served upon all parties of record by regular U.S. Mail or overnight delivery service this 27th day of August, 2003.

Stephen B. Seiple (gme)
Stephen B. Seiple
Attorney for
COLUMBIA GAS OF KENTUCKY, INC.

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BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION STAFF
DATED AUGUST 5, 2003

Question No. 1

Refer to the response to Item 1(c) of the First Data Request of Commission Staff, which describes Columbia's methodology for calculating customer savings achieved under its Customer Choice Program. The reports in Attachment 2 to the response include a column headed "Total Difference" that is carried forward to provide the "Total Savings" shown in the summaries of those reports contained in Attachment 1 to the response.

- a. Provide a detailed explanation of how the amounts in the "Total Difference" column of the reports included in Attachment 2 are derived.
- b. For every third month, beginning in December 2000 and continuing through March 2003, provide supporting workpapers, spreadsheets, etc. that show the derivation of the "Total Difference" amounts for the residential and commercial customers served by Interstate Gas Supply, Inc. ("IGS"), as reflected in the reports in Attachment 2 taken from Columbia's CAB billing system.

Response:

- a. The amounts in the "Total Difference" column are the difference between the actual bill that the customer received and the "shadow bill" amount. Customer savings are calculated on a customer specific basis within Columbia's Customer Information System. Upon billing, the system generates a "shadow bill" that would be the customer's bill if they were a Columbia sales customer. The customer's actual bill is then compared to this "shadow bill" to determine the customer savings that month. The Shadow bill amount is an accumulation of Columbia's base rate, customer charge, gas cost, gas cost adjustments and Customer Assistance Program ("CAP") or Energy Assistance Program ("EAP") surcharge. The gas cost adjustments may be a zero amount if the customer was a Choice customer in the same billing month the previous year.
- b. Please see attached. IGS is designated as IG or IGK on each of the attached reports. The Total Difference in each month is the sum of the IGK Total Amounts

line from the Difference column of the Active Accounts report and Final Accounts report each month for each class of customer.

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - MARCH 2003

REPORT DATE 03-21-2003

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+176,058.62	+4,582,903.09	+196,822.45	+5,132,061.79	+549,158.70	33,914
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	+10.7005400			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	+10.6949600			
IG	05	+413.30	+12,022.74	+456.73	+13,280.16	+1,257.42	220
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	+9.4684100			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	+9.4697500			
IG	10	+18.54	+517.53	+20.18	+563.10	+45.57	3
			REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX	+8.0927000			
			REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX	+8.0938800			
IGK TOTAL AMOUNTS		+176,490.46	+4,595,443.36	+197,299.36	+5,145,905.05	+550,461.69	34,137
IGK TOTAL PERCENT OF DIFFERENCE MINUS TAX			+10.6970800				
IGK TOTAL PERCENT OF DIFFERENCE PLUS TAX			+10.6915300				

REPORT DATE 03-21-2003

COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - MARCH 2003

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+571.73	+14,359.69	+639.53	+16,424.69	+2,065.00	330
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	+12.5725300			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	+12.4986600			
IG	05	+1.63	+32.60	+1.76	+35.08	+2.48	2
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	+7.0695500			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	+7.0846900			
IGK	TOTAL AMOUNTS	+573.36	+14,392.29	+641.29	+16,459.77	+2,067.48	332
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+0.0000000				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+12.4870000				

COLUMBIA GAS OF KENTUCKY, INC.
 COMMERCIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - MARCH 2003

REPORT DATE 03-21-2003

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+212,180.75	+2,604,410.63	+227,797.02	+2,867,609.05	+263,198.42	3,973
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	+9,1783200			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	+9,0073700			
IG	08	+2,014.39	+21,751.24	+2,258.19	+24,086.25	+2,335.01	103
			REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX	+9,6943600			
			REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX	+9,7888200			
IG	13	+867.96	+8,567.94	+969.43	+9,544.68	+976.74	7
			REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX	+10,2333400			
			REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX	+10,2548800			
IGK	TOTAL AMOUNTS	+215,063.10	+2,634,729.81	+231,024.64	+2,901,239.98	+266,510.17	4,083
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+9,1860700				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+9,0181300				

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - MARCH 2003

REPORT DATE 03-21-2003

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+263.20	+3,094.65	+284.43	+3,465.69	+371.04	62

REVENUE CLASS 04	PERCENT OF DIFFERENCE MINUS TAX	+10.7060900
REVENUE CLASS 04	PERCENT OF DIFFERENCE PLUS TAX	+10.4601900

REPORT DATE 12-21-2002

COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
ACTIVE ACCOUNTS - DECEMBER 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+162,392.72	+4,184,584.85	+158,415.29	+4,078,300.38	-106,284.47	34,855
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	-2.6060900			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	-2.6025300			
IG	05	+355.03	+9,820.30	+347.08	+9,612.88	-207.42	223
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	-2.1577300			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	-2.1623500			
IG	10	+23.26	+600.64	+23.23	+599.48	-1.16	4
			REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX	-0.1935000			
			REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX	-0.1911000			
IGK	TOTAL AMOUNTS	+162,771.01	+4,195,005.79	+158,785.60	+4,088,512.74	-106,493.05	35,082
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-2.6046800				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-2.6011400				

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 FINAL ACCOUNTS - DECEMBER 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+676.33	+17,151.48	+661.72	+17,090.26	-61.22	338
	REVENUE CLASS 03	PERCENT OF DIFFERENCE MINUS TAX		-0.3582100			
	REVENUE CLASS 03	PERCENT OF DIFFERENCE PLUS TAX		-0.4271600			
IG	05	+3.98	+132.64	+3.74	+124.84	-7.80	3
	REVENUE CLASS 05	PERCENT OF DIFFERENCE MINUS TAX		-6.2479900			
	REVENUE CLASS 05	PERCENT OF DIFFERENCE PLUS TAX		-6.2529100			
IGK	TOTAL AMOUNTS	+680.31	+17,284.12	+665.46	+17,215.10	-69.02	341
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX	+0.0000000					
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX	-0.4690500					

COLUMBIA GAS OF KENTUCKY, INC.
 COMMERCIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - DECEMBER 2002

REPORT DATE 12-21-2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+178,019.94	+2,208,079.14	+172,740.27	+2,181,783.56	-26,295.58	4,066
		REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX		-1.2052300			
		REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX		-1.3410400			
IG	08	+1,834.66	+18,046.56	+1,790.05	+17,702.69	-343.87	105
		REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX		-1.9424700			
		REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX		-1.9929400			
IG	13	+915.44	+8,868.32	+909.17	+8,809.43	-58.89	8
		REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX		-0.6684800			
		REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX		-0.6704600			
IGK	TOTAL AMOUNTS	+180,770.04	+2,234,994.02	+175,439.49	+2,208,295.68	-26,698.34	4,179
	IGK TOTAL PERCENT OF DIFFERENCE MINUS TAX		-1.2027500				
	IGK TOTAL PERCENT OF DIFFERENCE PLUS TAX		-1.3371300				

REPORT DATE 12-21-2002

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - DECEMBER 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+81.44	+1,136.35	+80.75	+1,137.14	+0.79	15
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	+0.0694700			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	+0.0082100			

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - SEPTEMBER 2002

REPORT DATE 09-21-2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+23,921.16	+615,079.13	+21,974.26	+565,577.50	-49,501.63	36,264
		REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX		-8.7524000			
		REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX		-8.7564200			
IG	05	+139.24	+3,776.82	+128.90	+3,492.84	-283.98	233
		REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX		-8.1303400			
		REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX		-8.1264800			
IG	10	+18.20	+429.67	+16.00	+378.02	-51.65	3
		REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX		-13.6632900			
		REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX		-13.6668100			
IGK	TOTAL AMOUNTS	+24,078.60	+619,285.62	+22,119.16	+569,448.36	-49,837.26	36,500
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-8.7518400				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-8.7558300				

REPORT DATE 09-21-2002

COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - SEPTEMBER 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+128.11	+3,208.78	+118.55	+2,964.44	-244.34	434
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	-8.2423600			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	-8.2355100			
IG	05	+0.72	+14.40	+0.70	+13.91	-0.49	2
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	-3.5226400			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	-3.4907500			
IGK	TOTAL AMOUNTS	+128.83	+3,223.18	+119.25	+2,978.35	-244.83	436
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX	+0.0000000					
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX	-8.2131300					

COLUMBIA GAS OF KENTUCKY, INC.
 COMMERCIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - SEPTEMBER 2002

REPORT DATE 09-21-2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+39,444.22	+448,256.56	+35,973.58	+408,242.79	-40,013.77	4,199
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	-9.8014600			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	-9.7890100			
IG	08	+1,223.98	+12,451.14	+1,107.56	+11,443.76	-1,007.38	108
			REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX	-8.8028700			
			REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX	-8.9536300			
IG	13	+325.02	+3,214.90	+285.31	+2,822.50	-392.40	8
			REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX	-13.9025600			
			REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX	-13.9040000			
IGK	TOTAL AMOUNTS	+40,993.22	+463,922.60	+37,366.45	+422,509.05	-41,413.55	4,315
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-9.7907400				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-9.7834400				

REPORT DATE 09-21-2002

COLUMBIA GAS OF KENTUCKY, INC.
 COMMERCIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 FINAL ACCOUNTS - SEPTEMBER 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+189.47	+1,989.53	+167.69	+1,807.08	-182.45	29
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	-10.0963900			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	-10.3419600			
IG	08	+0.16	+1.52	+0.16	+1.52	+0.00	2
			REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX	+0.0000000			
			REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX	+0.0000000			
IGK	TOTAL AMOUNTS	+189.63	+1,991.05	+167.85	+1,808.60	-182.45	31
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-10.0879100				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-10.3331700				

COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
ACTIVE ACCOUNTS - JUNE 2002

REPORT DATE 06-21-2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+40,593.68	+1,049,944.78	+37,689.89	+974,330.09	-75,614.69	37,586
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	-7.7606800			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	-7.7585800			
IG	05	+184.85	+4,904.07	+173.20	+4,601.01	-303.06	246
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	-6.5868100			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	-6.5918700			
IG	10	+14.61	+371.98	+13.37	+339.55	-32.43	5
			REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX	-9.5508700			
			REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX	-9.5404000			
IGK	TOTAL AMOUNTS	+40,793.14	+1,055,220.83	+37,876.46	+979,270.65	-75,950.18	37,837
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-7.7557900				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-7.7537300				

REPORT DATE 06-21-2002

COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - JUNE 2002

MARKETER BILL CD
REV CLASS
03
TAX AMT
+237.09
MARKETER BILL
+5,676.44
COLUMBIA SHADOW TAX AMT
+220.60
COLUMBIA SHADOW BILL
+5,290.94
DIFFERENCE
-385.50
TALLY
582

IG
REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX
REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX
+1.52
+29.96
+1.46
-7.2860300
-7.2936000
+28.99
-0.97
3

IGK TOTAL AMOUNTS
+238.61
+5,706.40
+222.06
-3.3459800
-3.3825900
+5,319.93
-386.47
585

IGK TOTAL PERCENT OF DIFFERENCE MINUS TAX
+0.0000000
IGK TOTAL PERCENT OF DIFFERENCE PLUS TAX
-7.2721100

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
ACTIVE ACCOUNTS - JUNE 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+52,677.45	+605,533.24	+49,331.78	+566,988.43	-38,544.81	4,283
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	-6.7981600			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	-6.7968600			
IG	08	+1,658.19	+16,385.22	+1,494.63	+15,010.49	-1,374.73	111
			REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX	-9.1584600			
			REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX	-9.3200700			
IG	13	+438.91	+4,457.12	+397.72	+4,045.91	-411.21	8
			REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX	-10.1635900			
			REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX	-10.1808600			
IGK	TOTAL AMOUNTS	+54,774.55	+626,375.58	+51,224.13	+586,044.83	-40,330.75	4,402
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-6.8852900				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-6.8891400				

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - JUNE 2002

REPORT DATE 06-21-2002

COLUMBIA
SHADOW
BILL
+813.96

COLUMBIA
SHADOW
TAX AMT

MARKETER BILL
TAX AMT
+80.47
MARKETER BILL
+75.75
REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX
-6.4683700
REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX
-6.4481600

DIFFERENCE
-52.65

TALLY
39

MARKETER
BILL CD
IG

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - MARCH 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+181,419.46	+4,707,711.41	+153,814.78	+3,991,148.12	-716,563.29	38,853
		REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX		-17.9538100			
		REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX		-17.9535400			
IG	05	+355.50	+10,483.32	+306.59	+9,045.51	-1,437.81	253
		REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX		-15.8952800			
		REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX		-15.8971700			
IG	10	+35.41	+839.78	+29.94	+707.87	-131.91	6
		REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX		-18.6347700			
		REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX		-18.6199600			
IGK	TOTAL AMOUNTS	+181,810.37	+4,719,034.51	+154,151.31	+4,000,901.50	-718,133.01	39,112
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-17.9492700				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-17.9490300				

REPORT DATE 03-21-2002

COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - MARCH 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+734.58	+18,911.86	+616.75	+15,681.60	-3,230.26	412
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	-20.5990400			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	-20.5425000			
IG	05	+0.34	+7.64	+0.34	+7.74	+0.10	6
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	+1.2919800			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	+1.2376200			
IGK	TOTAL AMOUNTS	+734.92	+18,919.50	+617.09	+15,689.34	-3,230.16	418
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+0.0000000				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-20.5317100				

COLUMBIA GAS OF KENTUCKY, INC.
 COMMERCIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - MARCH 2002

REPORT DATE 03-21-2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+187,998.56	+2,333,303.08	+159,101.98	+2,000,270.64	-333,032.44	4,384
		REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX		-16.6493600			
		REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX		-16.7608400			
IG	08	+1,921.55	+17,599.60	+1,621.61	+14,904.21	-2,695.39	111
		REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX		-18.0847500			
		REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX		-18.1251500			
IG	13	+1,022.72	+9,803.52	+854.62	+8,198.39	-1,605.13	8
		REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX		-19.5786000			
		REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX		-19.5871800			
IGK TOTAL AMOUNTS		+190,942.83	+2,360,706.20	+161,578.21	+2,023,373.24	-337,332.96	4,503
IGK TOTAL PERCENT OF DIFFERENCE MINUS TAX			-16.7019400				
IGK TOTAL PERCENT OF DIFFERENCE PLUS TAX			-16.8106400				

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - MARCH 2002

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW BILL TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
1G	04	+575.51	+5,847.64	+544.91	+5,427.30	-420.34	40
		REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX		-7.7449100			
		REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX		-7.5506300			

COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
ACTIVE ACCOUNTS - DECEMBER 2001

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+132,379.12	+3,418,968.31	+124,975.76	+3,228,897.95	-190,070.36	38,943
	REVENUE CLASS 03	PERCENT OF DIFFERENCE MINUS TAX		-5.8865300			
	REVENUE CLASS 03	PERCENT OF DIFFERENCE PLUS TAX		-5.8879200			
IG	05	+240.19	+6,946.14	+227.42	+6,593.39	-352.75	248
	REVENUE CLASS 05	PERCENT OF DIFFERENCE MINUS TAX		-5.3500500			
	REVENUE CLASS 05	PERCENT OF DIFFERENCE PLUS TAX		-5.3588900			
IG	10	+36.21	+857.60	+35.40	+832.67	-24.93	6
	REVENUE CLASS 10	PERCENT OF DIFFERENCE MINUS TAX		-2.9939800			
	REVENUE CLASS 10	PERCENT OF DIFFERENCE PLUS TAX		-2.9651900			
IGK	TOTAL AMOUNTS	+132,655.52	+3,426,772.05	+125,238.58	+3,236,324.01	-190,448.04	39,197
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-5.8847000				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-5.8861000				

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 FINAL ACCOUNTS - DECEMBER 2001

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+616.45	+15,750.99	+576.56	+14,065.39	-1,685.60	412
		REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX		-11.9840200			
		REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX		-11.7845600			
IG	05	+0.12	+3.66	+0.12	+3.66	+0.00	2
		REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX		+0.0000000			
		REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX		+0.0000000			
IGK	TOTAL AMOUNTS	+616.57	+15,754.65	+576.68	+14,069.05	-1,685.60	414
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+0.0000000				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-11.7815200				

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COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
ACTIVE ACCOUNTS - DECEMBER 2001

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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+138,243.21	+1,761,859.83	+126,739.12	+1,656,881.20	-104,978.63	4,434
		REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX		-6.3359100			
		REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX		-6.5306900			
IG	08	+1,642.98	+16,571.74	+1,523.69	+15,615.75	-955.99	109
		REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX		-6.1219600			
		REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX		-6.2737100			
IG	13	+826.31	+8,038.39	+774.63	+7,547.23	-491.16	8
		REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX		-6.5078100			
		REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX		-6.5230600			
IGK	TOTAL AMOUNTS	+140,712.50	+1,786,469.96	+129,037.44	+1,680,044.18	-106,425.78	4,551
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		-6.3815900				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		-6.5704000				

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+291.50	+2,850.85	+266.27	+2,543.62	-307.23	39
		REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX		-12.0784500			
		REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX		-11.8317700			

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - SEPTEMBER 2001

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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+24,149.18	+623,839.32	+25,011.69	+646,794.24	+22,954.92	30,976
		REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX		+3.5490200			
		REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX		+3.5452800			
IG	05	+126.63	+3,634.67	+131.47	+3,764.83	+130.16	207
		REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX		+3.4572600			
		REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX		+3.4648200			
IG	10	+19.69	+511.40	+21.01	+545.53	+34.13	5
		REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX		+6.2563000			
		REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX		+6.2572800			
IGK	TOTAL AMOUNTS	+24,295.50	+627,985.39	+25,164.17	+651,104.60	+23,119.21	31,188
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+3.5507600				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+3.5470900				

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+132.75	+3,361.39	+137.42	+3,483.48	+122.09	403
		REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX		+3.5048200			
		REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX		+3.5007800			
IG	05	+0.51	+16.65	+0.51	+17.03	+0.38	3
		REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX		+2.2313500			
		REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX		+2.1664700			
IGK	TOTAL AMOUNTS	+133.26	+3,378.04	+137.93	+3,500.51	+122.47	406
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+0.0000000				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+3.4943500				

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COLUMBIA GAS OF KENTUCKY, INC.
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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+44,458.45	+485,638.45	+46,465.25	+504,874.82	+19,236.37	3,905
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	+3.8101200			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	+3.8530000			
IG	08	+1,574.10	+15,756.75	+1,628.41	+16,341.99	+585.24	102
			REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX	+3.5812000			
			REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX	+3.5589000			
IG	13	+284.00	+2,983.32	+295.58	+3,118.01	+134.69	7
			REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX	+4.3197400			
			REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX	+4.2849300			
IGK	TOTAL AMOUNTS	+46,316.55	+504,378.52	+48,389.24	+524,334.82	+19,956.30	4,014
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+3.8039800				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+3.8441300				

COLUMBIA GAS OF KENTUCKY, INC.
 COMMERCIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 FINAL ACCOUNTS - SEPTEMBER 2001

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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+196.14	+1,809.32	+205.87	+1,899.02	+89.70	26
	REVENUE CLASS 04	PERCENT OF DIFFERENCE MINUS TAX		+4.7234800			
	REVENUE CLASS 04	PERCENT OF DIFFERENCE PLUS TAX		+4.7237600			
IG	08	+4.44	+48.42	+4.70	+51.16	+2.74	1
	REVENUE CLASS 08	PERCENT OF DIFFERENCE MINUS TAX		+5.3557400			
	REVENUE CLASS 08	PERCENT OF DIFFERENCE PLUS TAX		+5.3705600			
IGK	TOTAL AMOUNTS	+200.58	+1,857.74	+210.57	+1,950.18	+92.44	27
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+4.7400700				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+4.7404800				

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - JUNE 2001

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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+34,735.29	+891,177.12	+37,003.73	+950,063.85	+58,886.73	31,673
		REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX		+6,1981800			
		REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX		+6,1956400			
IG	05	+172.77	+4,728.15	+183.46	+5,018.21	+290.06	212
		REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX		+5,7801400			
		REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX		+5,7817900			
IG	10	+10.14	+263.05	+10.93	+283.42	+20.37	5
		REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX		+7,1872100			
		REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX		+7,1887200			
IGK	TOTAL AMOUNTS	+34,918.20	+896,168.32	+37,198.12	+955,365.48	+59,197.16	31,890
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+6,1962800				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+6,1937600				

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+347.15	+8,014.34	+371.24	+8,564.66	+550.32	579
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	+6.4254700			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	+6.4281100			
IG	05	+0.81	+18.58	+0.84	+19.20	+0.62	5
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	+3.2291600			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	+3.2435100			
IGK	TOTAL AMOUNTS	+347.96	+8,032.92	+372.08	+8,583.86	+550.94	584
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+0.0000000				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+6.4209800				

COLUMBIA GAS OF KENTUCKY, INC.
 COMMERCIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 ACTIVE ACCOUNTS - JUNE 2001

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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+60,931.74	+655,961.25	+65,751.47	+708,188.55	+52,227.30	3,889
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	+7.3747700			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	+7.3709800			
IG	08	+1,458.34	+15,062.90	+1,568.77	+16,218.50	+1,155.60	103
			REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX	+7.1251900			
			REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX	+7.1176100			
IG	13	+378.29	+4,162.53	+410.22	+4,514.63	+352.10	7
			REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX	+7.7990800			
			REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX	+7.7978000			
IGK	TOTAL AMOUNTS	+62,768.37	+675,186.68	+67,730.46	+728,921.68	+53,735.00	3,999
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+7.3607500				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+7.3574400				

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - JUNE 2001

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+232.93	+2,299.91	+250.20	+2,471.17	+171.26	40
		REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX		+6.9303200			
		REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX		+6.9277600			
IG	08	+2.91	+42.66	+2.97	+43.28	+0.62	3
		REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX		+1.4325300			
		REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX		+1.4702700			
IGK	TOTAL AMOUNTS	+235.84	+2,342.57	+253.17	+2,514.45	+171.88	43
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+6.8356800				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+6.8365500				

COLUMBIA GAS OF KENTUCKY, INC.
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INTERSTATE GAS SUPPLY
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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+108,553.06	+2,716,624.22	+117,011.65	+2,938,063.00	+221,438.78	19,979
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	+7.5368900			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	+7.5250900			
IG	05	+235.52	+6,475.15	+250.51	+6,950.91	+475.76	146
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	+6.8445700			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	+6.8146200			
IG	10	+40.02	+1,006.67	+43.33	+1,089.74	+83.07	5
			REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX	+7.6229100			
			REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX	+7.6235300			
IGK	TOTAL AMOUNTS	+108,828.60	+2,724,106.04	+117,305.49	+2,946,103.65	+221,997.61	20,130
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+7.5352900				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+7.5234600				

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COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
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MARKETER
BILL CD
IG

COLUMBIA
SHADOW
BILL

COLUMBIA
SHADOW
TAX AMT

MARKETER BILL
+9,947.56

TAX AMT
+398.90

REV CLASS
03

MARKETER
BILL CD
IG

REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX +6.2164000
REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX +6.1890100

DIFFERENCE
+659.37

+10,606.93

TALLY
189

COLUMBIA GAS OF KENTUCKY, INC.
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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+175,411.08	+1,971,717.21	+181,638.58	+2,160,293.41	+188,576.20	3,313
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	+8.7291900			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	+8.3180700			
IG	08	+1,107.05	+10,450.44	+1,193.60	+11,264.04	+813.60	50
			REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX	+7.2229800			
			REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX	+7.22256800			
IG	13	+811.56	+8,188.78	+879.47	+8,874.61	+685.83	7
			REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX	+7.7280000			
			REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX	+7.7274300			
IGK TOTAL AMOUNTS		+177,329.69	+1,990,356.43	+183,711.65	+2,180,432.06	+190,075.63	3,370
IGK TOTAL PERCENT OF DIFFERENCE MINUS TAX			+8.7052300				
IGK TOTAL PERCENT OF DIFFERENCE PLUS TAX			+8.3000300				

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COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+613.72	+5,534.26	+665.62	+5,930.73	+396.47	23

REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	+6.6850100
REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	+6.7972400

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COLUMBIA GAS OF KENTUCKY, INC.
RESIDENTIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
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MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+57,147.18	+1,420,708.09	+61,674.33	+1,539,385.60	+118,677.51	9,883
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	+7.7094000			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	+7.6951900			
IG	05	+134.02	+3,934.37	+142.99	+4,217.30	+282.93	84
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	+6.7087900			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	+6.6945000			
IG	10	+40.30	+938.09	+43.73	+1,017.78	+79.69	4
			REVENUE CLASS 10 PERCENT OF DIFFERENCE MINUS TAX	+7.8297800			
			REVENUE CLASS 10 PERCENT OF DIFFERENCE PLUS TAX	+7.8303500			
IGK	TOTAL AMOUNTS	+57,321.50	+1,425,580.55	+61,861.05	+1,544,620.68	+119,040.13	9,971
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+7.7067500				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+7.6925600				

COLUMBIA GAS OF KENTUCKY, INC.
 RESIDENTIAL CHOICE SAVINGS
 INTERSTATE GAS SUPPLY
 FINAL ACCOUNTS - DECEMBER 2000

REPORT DATE 12-21-2000

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	03	+133.06	+3,159.84	+143.65	+3,467.49	+307.65	58
			REVENUE CLASS 03 PERCENT OF DIFFERENCE MINUS TAX	+8.8724100			
			REVENUE CLASS 03 PERCENT OF DIFFERENCE PLUS TAX	+8.8127200			
IG	05	+1.76	+15.52	+0.81	+16.19	+0.67	1
			REVENUE CLASS 05 PERCENT OF DIFFERENCE MINUS TAX	+4.1383500			
			REVENUE CLASS 05 PERCENT OF DIFFERENCE PLUS TAX	-1.6470500			
IGK	TOTAL AMOUNTS	+134.82	+3,175.36	+144.46	+3,483.68	+308.32	59
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+0.0000000				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+8.7637100				

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
ACTIVE ACCOUNTS - DECEMBER 2000

REPORT DATE 12-21-2000

MARKETER BILL CD	REV CLASS	TAX AMT	MARKETER BILL	COLUMBIA SHADOW TAX AMT	COLUMBIA SHADOW BILL	DIFFERENCE	TALLY
IG	04	+102,075.11	+1,169,159.99	+107,843.93	+1,287,459.72	+118,299.73	2,029
			REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX	+9,1886100			
			REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX	+8,8918600			
IG	08	+650.95	+6,173.05	+699.59	+6,633.24	+460.19	32
			REVENUE CLASS 08 PERCENT OF DIFFERENCE MINUS TAX	+6,9376300			
			REVENUE CLASS 08 PERCENT OF DIFFERENCE PLUS TAX	+6,9390600			
IG	13	+840.94	+8,600.97	+913.69	+9,344.67	+743.70	7
			REVENUE CLASS 13 PERCENT OF DIFFERENCE MINUS TAX	+7,9585400			
			REVENUE CLASS 13 PERCENT OF DIFFERENCE PLUS TAX	+7,9588700			
IGK	TOTAL AMOUNTS	+103,567.00	+1,183,934.01	+109,457.21	+1,303,437.63	+119,503.62	2,068
IGK	TOTAL PERCENT OF DIFFERENCE MINUS TAX		+9,1674900				
IGK	TOTAL PERCENT OF DIFFERENCE PLUS TAX		+8,8746700				

CC03000A

COLUMBIA GAS OF KENTUCKY, INC.
COMMERCIAL CHOICE SAVINGS
INTERSTATE GAS SUPPLY
FINAL ACCOUNTS - DECEMBER 2000

REPORT DATE 12-21-2000

COLUMBIA
SHADOW
BILL
+733.59

COLUMBIA
SHADOW
TAX AMT
+74.09

MARKETER BILL
+665.94

TAX AMT
+69.08

REV CLASS
04

MARKETER
BILL CD
IG

+9.2217700
+8.9961300

REVENUE CLASS 04 PERCENT OF DIFFERENCE MINUS TAX
REVENUE CLASS 04 PERCENT OF DIFFERENCE PLUS TAX

DIFFERENCE
+67.65

TALLY
11

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION STAFF
DATED AUGUST 5, 2003

Question No. 2

Refer to Exhibits D and E of the response to the Staff's First Data Request to IGS, which show IGS's calculation of savings for the Customer Choice Program customers it serves.

- a. The EGC and GCR amounts shown on the exhibits appear to match the amounts reported by Columbia in its response to IGS's Interrogatory No. 4. In addition, the calculation of IGS's price per MCF, performed by dividing total sales by total usage, appears to be mathematically accurate. Per IGS's response to Item 3(d) of the Staff data request, the total sales and total usage data came from Columbia's remittance statements to IGS. Explain whether Columbia's records correspond to the sales and usage data in the IGS exhibits. Identify and describe any discrepancies observed by Columbia.
- b. The results of IGS's savings calculation differ significantly from the results reported by Columbia. Describe any aspects of IGS's calculations with which Columbia disagrees or which it disputes in any way.

Response:

- a. The EGC amounts shown in IGS's Exhibits D and E generally correspond with some small differences due to rounding. Columbia carries these amounts out four places beyond the decimal and IGS shows three places beyond the decimal. The GCR amounts shown by IGS reflect similar rounding differences in 11 out of 30 months. In the months of August 2001 – February 2003 the differences are somewhat more than could be attributed to rounding. A comparison is attached. No other discrepancies are noted.
- b. Columbia disagrees with the average price methodology used by IGS to calculate its price per MCF in its Exhibits D and E. Mathematically, Columbia does not dispute the calculation. However, in practice, the savings of each customer is dependent upon that customer's usage and price. Applying an average price to total volumes does not accurately compare an individual customer's situation. In using an average, the range of individual customer impacts is lost. The savings of

a large volume customer at a guaranteed discount could hide the increased cost to a small volume customer.

Further, Columbia disagrees with the GCR and EGC usage, as the terms are used, to compare volumes shown in Exhibits D and E. Columbia agrees that prior to September 2001, the applicable comparison unit is the GCR. On page 14 of IGS's Response to No. 3 (d) of the Commission's First Data Request to IGS, IGS states that, the applicable comparison unit depends on the length of the customer's participation in the program. And that, in the first 12-months on the program the applicable comparison unit is the EGC but after the initial 12 months, the applicable comparison unit is the GCR. For a customer that becomes a Choice customer and remains a Choice customer for 12 consecutive months, Columbia concurs. However, the comparison is actually based on whether the customer was a Choice customer in the same billing month of the previous year. If the customer was a Choice customer in the same billing month of the previous year, the comparison should be to the EGC. If the customer was not a Choice customer in the same billing month of the previous year, the comparison should be to the GCR. This is because the adjustments that represent the difference between the EGC and GCR, as the terms are used in IGS' Exhibits, are applied to Columbia sales customers on the same basis as the adjustments are applied to Choice customers. A customer that returns to Columbia's sales service is not subject to the adjustments if they were a Choice customer in the same billing month the previous year. It does not appear that IGS' calculations take this fact into consideration. Columbia believes its customer by customer assessment presents a more accurate quantification of savings.

All amounts are per Mcf

Effective Date	Columbia Gas of Kentucky Expected Gas Cost (1)	From IGS Exhibit E EGC per MCF (2)	Comparison Difference (2) - (1) = (3)	Columbia Gas of Kentucky Total Gas Cost Adjustment (4)	From IGS Exhibit E CKY GCR per MCF (5)	Comparison Difference (5) - (4) = (6)
December 2000 - February 2001	\$ 7.1076			\$ 7.6706	7.671 \$	0.0004
March 2001	\$ 8.2523			\$ 8.8982	8.898 \$	(0.0002)
April 2001	\$ 7.7060			\$ 8.3519	8.352 \$	0.0001
May 2001	\$ 8.2943			\$ 8.9402	8.940 \$	(0.0002)
June 2001	\$ 8.2796			\$ 8.9298	8.930 \$	0.0002
July 2001	\$ 7.1841			\$ 7.8343	7.834 \$	(0.0003)
August 2001	\$ 6.4872			\$ 7.1374	5.699 \$	(1.4384)
September 2001 - November 2001	\$ 6.3578	6.358 \$	0.0002	\$ 7.4132	7.406 \$	(0.0072)
December 2001 - February 2002	\$ 5.0841	5.084 \$	(0.0001)	\$ 6.1395	6.134 \$	(0.0055)
March 2002 - May 2002	\$ 4.2582	4.258 \$	(0.0002)	\$ 5.4433	5.438 \$	(0.0053)
June 2002 and August 2002	\$ 4.8495	4.850 \$	0.0005	\$ 6.0353	6.030 \$	(0.0053)
July 2002	\$ 4.8495	4.850 \$	0.0005	\$ 6.0353	6.060 \$	0.0247
September 2002 - November 2002	\$ 4.5263	4.526 \$	(0.0003)	\$ 4.7816	4.783 \$	0.0014
December 2002 - February 2003	\$ 5.4567	5.457 \$	0.0003	\$ 5.7080	5.732 \$	0.0240
March 2003	\$ 7.1812	7.181 \$	(0.0002)	\$ 7.5659	7.566 \$	0.0001
March 27, 2003 - May 2003	\$ 9.1671	9.167 \$	(0.0001)	\$ 9.5518	9.552 \$	0.0002

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

RECEIVED

AUG 26 2003

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC., TO IMPLEMENT A SMALL) CASE NO. 1999-00165
VOLUME GAS TRANSPORTATION SERVICE)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

**COMMUNITY ACTION COUNCIL'S STATEMENT
IN RESPONSE TO THE COMMISSION'S ORDER
DATED AUGUST 20, 2003**

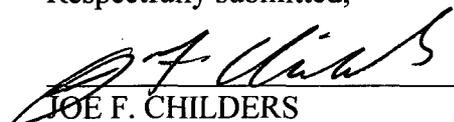
Comes the Community Action Council (CAC), by counsel, in conformance with the Commission's order dated August 20, 2003, and hereby states that the customers of its "Buyers Club," which has participated as a provider under Columbia Gas's Choice program, have saved money over what they would have paid if their gas had been provided by Columbia Gas of Kentucky, Inc.

The results of the comparison between the price of gas offered by Columbia Gas of Kentucky, Inc. and the CAC Buyers Club are set forth for the months of December, 2001 through September, 2003, in the chart attached hereto and incorporated herein by reference thereto as if fully set out, as Exhibit A. For the months of December, 2001 through March 1, 2003, the average price paid per mcf for customers whose gas was provided by Columbia Gas of Kentucky, Inc. was \$4.9816. For customers of CAC Buyers Club for the same period, the average price per mcf was \$4.3344. For the months of April, 2003 through August, 2003, the average price paid

per mcf by customers whose gas was provided by Columbia Gas of Kentucky, Inc. was \$8.3008.

The average price per mcf paid by Buyers Club customers during the same period was \$7.96.

Respectfully submitted,



JOE F. CHILDERS
201 W. Short Street
Suite 310
Lexington, KY 40507

ATTORNEY FOR CAC

CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing document has been served on the parties to this proceeding by mailing the same to the following persons:

Stephen B. Seiple, Esq.
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P.O. Box 14241
Lexington, KY 40512-4241

Richard S. Taylor, Esq.
Attorney at Law
225 Capital Avenue
Frankfort, KY 40601

Douglas M. Brooks, Esq.
Louisville Gas & Electric Co.
220 West Main Street
P.O. Box 32010
Louisville, KY 40232-2010

Ann Louise Chevront, Esq.
Assistant Attorney General
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Frankfort, KY 40601-8204

Edward W. Gardner, Esq.
Director of Litigation
Lexington-Fayette Urban County Gov't
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Commonwealth Energy Services
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FSG Energy Services
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Brian Dingwell
Vice President, Regulatory Affairs
United Gas
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John M. Dosker, Esq.
Stand Energy Corporation
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Richard S. Minch
Manager, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
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Lexington, KY 40512-4241

Jack E. Burch
Executive Director
Community Action Council

P.O. Box 11610
Lexington, KY 40576

James R. Cox, Esq.
209 Breckenridge Lane
Louisville, KY 40207

on this the 26th day of August, 2003.



JOE F. CHILDERS

Commonwealth of Kentucky
 Before the Public Service Commission
 Case No 1999-00165

Community Action Council Buyers Club Inc.

Month/Year	Columbia Gas Price	Buyers Club Price
December, 2001	5.0841	5.354
January, 2002	5.0841	4.85
February, 2002	5.0841	4.85
March, 2002	4.2582	4.85
April, 2002	4.2582	3.62
May, 2002	4.2582	3.62
June, 2002	4.8495	3.62
July, 2002	4.8495	3.62
August, 2002	4.8495	3.62
September, 2002	4.5263	3.96
October, 2002	4.5263	4.48
November, 2002	4.5263	4.48
December, 2002	5.4567	4.91
January, 2003	5.4567	4.99
February, 2003	5.4567	5.09
March 1, 2003	7.1812	7.77
March 27, 2003	9.1671	
April, 2003	9.1671	7.47
May, 2003	9.1671	8.99
June, 2003	7.7232	8.00
July, 2003	7.7232	7.67
August, 2003	7.7232	7.67
September		7.67



Paul E. Patton, Governor

Janie A. Miller, Secretary
Public Protection and
Regulation Cabinet

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
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August 20, 2003

Martin J. Huelsmann
Chairman

Gary W. Gillis
Vice Chairman

Robert E. Spurlin
Commissioner

John W. Bentine
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

RE: Case No. 1999-00165

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Dorman".

Thomas M. Dorman
Executive Director

TD/sh
Enclosure





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Attorney at Law
Boehm, Kurtz & Lowry
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Gary W. Gillis
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Robert E. Spurlin
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Honorable Douglas M. Brooks
Senior Counsel Specialist, Reg.
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

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Community Action Council
892 Georgetown Street
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1024 Capital Center Drive
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Attorney
201 West Short Street
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Judy M. Cooper
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Columbia Gas of Kentucky, Inc.
2001 Mercer Road
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Bobby Singh
Chester Willcox & Saxbe LLP
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225 Capital Avenue
Frankfort, KY 40601

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COMMONWEALTH OF KENTUCKY
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In the Matter of:

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CUSTOMER ASSISTANCE PROGRAM)	

ORDER

On June 6, 2003, Columbia Gas of Kentucky, Inc. ("Columbia") filed a motion seeking approval to terminate its pilot Customer Choice Program ("Choice Program") on March 31, 2004, or 7 months prior to the scheduled termination date of October 31, 2004, a date originally proposed by Columbia and approved by the Commission. Upon receipt of that motion, the Commission reopened this docket. Columbia stated that its main reason for proposing early termination was that customers, in total, had not saved money under the Choice Program. Columbia stated that, through March 31, 2003, customers participating in the Choice Program had paid \$3.4 million more in gas costs than they would have paid if they had not participated in the program.

Several parties have filed letters or comments opposing Columbia's motion. Interstate Gas Supply, Inc. ("IGS"), the largest marketer participating in the Choice Program, has disputed Columbia's claim and stated that its customers have saved money by participating in the Choice Program. Through Orders dated June 26 and

July 15, 2003, the Commission established a procedural schedule, the initial steps of which included two rounds of interrogatories.¹

On August 12, 2003, Columbia filed to withdraw its motion to terminate its pilot Choice Program effective March 31, 2004. In its August 12 filing Columbia requests that the term of the pilot Choice Program be extended to March 31, 2005, 5 months beyond the approved October 31, 2004 termination date. Columbia states that it seeks to withdraw its motion in light of concern expressed by other parties about the proposed termination of the program. It further states that extending the program by 5 months, through the end of the 2004-2005 heating season, will avoid the operational and storage problems associated with the existing termination date, problems it had cited in its motion to terminate, and will allow the parties to discuss issues associated with the future of the Choice Program once the pilot phase comes to its new scheduled termination date of March 31, 2005.

Along with the withdrawal of its motion to terminate and its request to extend the pilot program, Columbia requests that the procedural schedule be rescinded. In addition to the aforementioned interrogatories, the procedural schedule includes a requirement that the parties file briefs on whether the Commission has the statutory authority to require Columbia to continue the Choice Program and a public hearing on September 18, 2003. Columbia states that upon receiving approval of its motion, it will file revised tariffs reflecting the new termination date of the pilot Choice Program. On August 15, 2003, IGS filed comments stating its support for Columbia's withdrawal of its

¹ The Commission Staff issued two rounds of interrogatories to both Columbia and IGS. Responses to the second round of interrogatories were due August 18, 2003.

motion to terminate the pilot program early and its request to extend the pilot program to March 31, 2005. On August 19, 2003, the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties ("CAC") made a filing stating its support of Columbia's withdrawal filing and request to extend the program.

DISCUSSION

Columbia's motion for early termination of the pilot Choice Program and the filings opposing that motion raised the issue of whether customers have benefited economically by participating in the program. While Columbia states that it is unaware of any party opposing the withdrawal, the issue of whether customers have or have not saved money from being in the Choice Program remains unresolved. As this issue was not resolved through responses to initial interrogatories, the Commission finds that the information requested in the Staff's supplemental interrogatories to Columbia and IGS should be provided to the Commission for review prior to issuing a decision on Columbia's withdrawal of its original motion. Given that Columbia's original motion to terminate the program early was based primarily on its claim that customers had paid more by participating in the Choice Program, the Commission finds that it would be premature to allow Columbia to withdraw that motion before resolving this issue.

Due to the timing and nature of Columbia's filing to withdraw, we find that the procedural schedule should be rescinded only as it relates to the filing of the briefs and the public hearing previously discussed. Therefore, the Commission will require that Columbia and IGS file the information requested in the Commission Staff's second round of interrogatories, within 7 days from the date of this Order. After its review of that information, the Commission will determine what additional steps, if any, should be

taken before ruling on Columbia's withdrawal of its original motion and its request to extend the pilot Choice Program to March 31, 2005.

With regard to the issue of whether customers have saved under the pilot program, the Commission believes that the other active marketer in the program that is an intervenor in this proceeding, CAC should submit information on whether the customers served by the CAC Buyers' Club have saved money under the program. CAC should file any relevant information on this matter with the Commission within 7 days from the date of this Order.

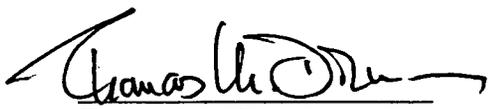
IT IS THEREFORE ORDERED that:

1. Columbia and IGS shall file their responses to the Commission Staff's August 5, 2003 data requests within 7 days from the date of this Order.
2. Beyond the filing of the responses required in Ordering Paragraph 1, the remaining steps in the existing procedural schedule are hereby rescinded.
3. Any decision on Columbia's withdrawal of its motion for early termination of the pilot Choice Program is reserved until the Commission can review the information provided in response to the August 5, 2003 data requests.
4. Within 7 days of the date of this Order, CAC shall state whether the customers served by the CAC Buyers' Club have saved money under the Choice Program and shall file any and all information it has to support the statement.

Done at Frankfort, Kentucky, this 20th day of August, 2003,

By the Commission

ATTEST:


Executive Director

Case No. 1999-00165

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

RECEIVED

AUG 19 2003

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC., TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

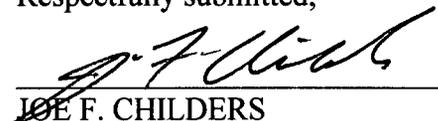
PUBLIC SERVICE
COMMISSION
CASE NO. 1999-00165

**COMMUNITY ACTION COUNCIL'S STATEMENT
IN SUPPORT OF THE MOTION OF COLUMBIA GAS
OF KENTUCKY, INC. TO EXTEND THE CHOICE
PROGRAM THROUGH MARCH 31, 2005**

Comes the Community Action Council (CAC), by counsel, and hereby states that it supports the motion of Columbia Gas of Kentucky, Inc. to withdraw its motion for early termination of the choice program, and to extend the choice program through March 31, 2005.

CAC has participated in Columbia's choice program through CAC's "Buyer's Club." As a result, many customers have saved money through the Buyer's Club. The customer choice program was instituted to save customers money. As such, CAC supports Columbia's intentions in implementing this program, and fully support's Columbia's decision to continue the program through March 31, 2005.

Respectfully submitted,



JOE F. CHILDERS
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ATTORNEY FOR CAC

CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing document has been served on the parties. to this proceeding by mailing the same to the following persons:

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on this the 24th day of July, 2003.



JOE F. CHILDERS

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COMMONWEALTH OF KENTUCKY

AUG 15 2003

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,) CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE) 1999-00165
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

**COMMENTS OF PETITIONER INTERSTATE GAS SUPPLY, INC.
IN SUPPORT OF COLUMBIA GAS OF KENTUCKY, INC.'S
MOTION TO EXTEND THE CHOICE PROGRAM THROUGH MARCH 31, 2005**

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
VOLUME GAS TRANSPORTATION SERVICE,	)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

COMMENTS OF PETITIONER INTERSTATE GAS SUPPLY, INC.
IN SUPPORT OF COLUMBIA GAS OF KENTUCKY, INC.'S
MOTION TO EXTEND THE CHOICE PROGRAM THROUGH MARCH 31, 2005

Columbia Gas of Kentucky, Inc. ("Columbia") has filed a notice that it is withdrawing its motion to early terminate the Small Volume Transportation Program ("Choice Program"). For the reasons discussed below, Interstate Gas Supply, Inc. ("IGS") respectfully requests that the Commission grant Columbia's requests to: (1) extend the Choice Program through March 31, 2005, and (2) suspend the current procedural schedule that provides for additional discovery, a hearing, and filing of briefs to address the matter of Columbia's request to early terminate the Choice Program and IGS's request to permanently continue the same.

I. Background

Supported by stakeholder input, Columbia proposed the ongoing Choice Program in this docket. The Commission approved, with certain modifications, the Choice Program, as a pilot program, and retained regulatory oversight over it, by its Orders of January 27, 2000, March 6, 2000, and May 19, 2000. Since its implementation as a pilot program, the Choice Program has

been physically reliable and desirable to consumers, indicated by the robust customer participation rates and savings to consumers.

The pilot Choice Program is currently scheduled to terminate in October 2004. However, on June 6, 2003, Columbia filed a Motion requesting authority to terminate the Choice Program on March 31, 2004, seven months earlier than scheduled. On June 12, 2003, IGS filed its Petition herein, requesting that the Commission make the Choice Program a permanent component of Kentucky's regulatory design for natural gas service. Following IGS's Petition, numerous intervenors made filings in which they supported IGS's Petition and expressed concern about the Columbia proposed termination of the Choice Program. On August 12, 2003, Columbia notified the Commission that it is withdrawing its early termination request and asked the Commission to extend the Choice Program through March 31, 2005, and rescind the related hearing schedule.

II. The Commission Should Grant Columbia's Withdrawal and Motion to Extend

The Commission's policy promotes and encourages natural gas local distribution companies ("LDCs") to unbundle their retail rates and services in the provision of natural gas, as set forth in the Commission's Administrative Case No. 367, *The Establishment of a Collaborative Forum to Discuss the Issues Related to Natural Gas Unbundling and the Introduction of Competition to the Residential Natural Gas Market*. Pursuant to and in furtherance of this policy, Columbia proposed the Choice Program, supported by stakeholder input. In approving the Choice Program and the goals by which to measure its success, the Commission indicated, based on the Choice Program's design, that it appeared that the program would achieve its stated goals. As implemented, the Choice Program has achieved its six stated

goals, and the participation and contributions of suppliers, such as IGS, have contributed significantly to the success of the Choice Program, as more fully discussed in IGS's Petition.

Consumers are well aware of the Choice Program, and there is a strong customer demand for its various benefits. The achievement of the program's stated goals and robust consumer participation rates are evidence of the program's success and its value to the public. The Choice Program allows consumers to control their energy bills, and offers consumers with numerous value-added benefits, in addition to the opportunity for savings, which a great number of consumers have taken advantage of. For example, the program allows consumers to choose Columbia's standard-offer or, on a voluntary basis, select a supplier and receive either a fixed price or a price that guarantees a discounted savings relative to Columbia's standard offer commodity price. Competitive market forces, inherent in the program, provide consumers with an "opportunity" for savings, and serve to improve price, product, and service options. Indeed, by IGS's calculation, IGS estimates that it has saved its Choice Program consumers approximately \$3.1 million, from the program's inception to May 2003.¹

IGS submits that because the Choice Program affords customers the "opportunity" for savings and other value-added benefits, the Choice Program is fair and its continuation is in the public interest. Accordingly, the Commission should grant Columbia's Withdrawal and Motion to Extend, because, as Columbia states, granting Columbia's request:

[W]ill enable the pilot program to operate through an additional winter [through March 31, 2005], minimize Columbia's concerns about storage and stranded cost impacts if the pilot program were to end in October of a calendar year, and provide the parties with additional time to discuss the varied and complex issues associated with the future [continuation] of the Choice program once the pilot program comes to its scheduled conclusion. [Emphasis added.]

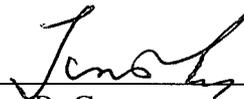
¹ See Interstate Gas Supply, Inc.'s Responses To First Data Request of Commission Staff, Response to Data Request No. 3(d) (July 24, 2003).

Granting Columbia's request will allow stakeholders to begin discussions for purposes of achieving a Choice Program design that will continue to add value to consumers; provide a reliable and competitive alternative to Columbia's commodity service; enable suppliers the flexibility to capture opportunities for savings and other benefits for end-users; and manage Columbia's financial and operational concerns relative to operating an open and non-discriminatory Choice Program. IGS submits that granting Columbia's request promotes the best opportunity to continue the Choice Program, in furtherance of the Commission's policy and which Kentucky consumers desire.

III. Conclusion And Approvals Requested

So that stakeholders may begin discussions directed to continuing and achieving a permanent Choice Program, given Columbia's notice that it is withdrawing its motion to early terminate the Choice Program, IGS respectfully requests the Commission to grant Columbia's requests to: (1) extend the Choice Program through March 31, 2005, and (2) suspend the current procedural schedule that provides for additional discovery, a hearing, and filing of briefs to address the matter of Columbia's request to early terminate the Choice Program and IGS's petition to permanently continue the same.

Respectfully submitted,



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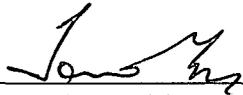
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of Petitioner Interstate Gas Supply, Inc. in Support Of Columbia Gas Of Kentucky, Inc.'s Motion To Extend The Choice Program Through March 31, 2005 was mailed, postage prepaid to the below listed persons on August 15, 2003.


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COMMISSION

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PSC Data Request Set 1

Question No.1

PUBLIC SERVICE
COMMISSION

Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION STAFF
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 1

Refer to Columbia's motion to terminate its small volume transportation program ("Choice Program"). The second full paragraph on page 3 indicates that customers participating in the Choice Program pilot had, through March 31, 2003, paid a total of \$3.4 million more in gas than they would have paid had they remained Columbia sales customers. The paragraph also indicates that participants in the Choice Program pilot had paid \$800,000 more in gas costs through March 31, 2003.

- a. The Choice Program began in the fall of 2000. Provide a similar comparison of what program participants paid through March 31, 2001 in gas costs versus the amount they would have paid as Columbia sales customers.
- b. Explain why the "over payment" by Choice Program" participants cited in the paragraph quadrupled over a 12-month period (March 2002 to March 2003).
- c. Provide all necessary calculations, workpapers, spreadsheets, etc. that show the derivation of the \$3.4 million difference between what Choice Program participants have paid through March 31, 2003 versus what they would have paid during that period if they had remained Columbia sales customers. Include a narrative description of the calculations, workpapers, spreadsheets, etc.

Response:

- a. Customers saved a total of \$1,458,148 on gas costs from November 2000 through March 31, 2001.
- b. There are several reasons that Columbia suspects contributed to the "over payment" by participants. Initial marketer offers were guaranteed savings at a higher percentage discount than later offers. Initial offers of discounts were renewed at fixed prices that turned out to, at times, exceed Columbia's cost. Customers that converted to Choice, initially avoided the adjustment tracking component of Columbia's GCA which resulted in a greater difference between the customer's actual bill and Columbia's "shadow" bill.
- c. Customer savings are calculated on a customer specific basis within Columbia's Customer Information System. Upon billing, the system generates a "shadow bill" that would be the customer's bill if they were a Columbia

sales customer. The customer's actual bill is then compared to this "shadow bill" to determine the customer savings that month. Columbia actually has two billing systems, CAB and GAS. Residential and small commercial/industrial customers are billed in CAB. Larger volume commercial/industrial customers are billed in GAS. A report is generated from both systems each month detailing Choice savings by customer class and marketer. The reports are attached (Attachment 2) along with a summation of the monthly reports (Attachment 1).

The marketer identified as "CAK" on the monthly reports is not an independent marketer, but identifies the group of customers participating in the Customer Assistance Program whose Choice marketer was selected by the program administrator. The group received natural gas from Interstate Gas Supply during the period June through December 2001. In January 2002, the Community Action Council Buyers Club became the provider for the group. The totals for CAK are included in the monthly totals of the appropriate marketer on Attachment 1.

CHOICE Savings Statistics

	# customers	total savings \$	average savings \$
November-00			
KNG			
residential	80	\$369	\$4.61
commercial	53	\$1,657	\$31.26
industrial	2	\$653	\$326.50
total	135	\$2,679	\$19.84
Stand			
residential	184	\$211	\$1.15
commercial	113	\$283	\$2.50
industrial	0	\$0	
total	297	\$494	\$1.66
Residential Total	264	\$580	\$2.20
Commercial Total	166	\$1,940	\$11.69
Industrial Total	2	\$653	\$326.50
GRAND TOTAL for month	432	3173	\$7.34
December-00			
KNG			
residential	676	\$7,931	\$11.73
commercial	229	\$24,322	\$106.21
industrial	2	\$1,542	\$771.00
total	907	\$33,795	\$37.26
Stand			
residential	239	(\$1,612)	(\$6.74)
commercial	413	(\$18,204)	(\$44.08)
industrial	0	\$0	\$0.00
total	652	(\$19,816)	(\$30.39)
IGS			
residential	10,030	\$119,348	\$11.90
commercial	2,082	\$131,539	\$63.18
industrial	1	\$193	\$193.00
total	12113	\$251,080	\$20.73
Nicole			
residential	691	(\$7,873)	(\$11.39)
commercial	26	\$5,028	\$193.38
industrial	0	\$0	\$0.00
total	717	(\$2,845)	(\$3.97)
Residential Total	11,636	117,794	\$10.12
Commercial Total	2,750	142,685	\$51.89
Industrial Total	3	1,735	\$578.33
GRAND TOTAL for month	14,389	262,214	\$18.22
January-01			
IGS			
residential	10,726	\$185,662	\$17.31
commercial	2,239	\$218,164	\$97.44
industrial	2	\$668	\$334.00
total	12,967	\$404,494	\$31.19
MX			
residential	390	\$6,635	\$17.01
commercial	9	\$246	\$27.33
industrial	0	\$0	\$0.00
total	399	\$6,881	\$17.25
Residential Total	11,116	192,297	\$17.30
Commercial Total	2,248	218,410	\$97.16
Industrial Total	2	668	\$334.00
GRAND TOTAL for month	13,366	411,375	\$30.78

February-01

IGS			
residential	11,644	\$140,415	\$12.06
commercial	2,366	\$156,660	\$66.21
industrial	4	\$1,755	\$438.75
total	14,014	\$298,830	\$21.32
MX			
residential	438	\$4,814	\$10.99
commercial	14	\$448	\$32.00
industrial	0	\$0	\$0.00
total	452	\$5,262	\$11.64
Residential Total	12,082	145,229	\$12.02
Commercial Total	2,380	157,108	\$66.01
Industrial Total	4	1,755	\$438.75
GRAND TOTAL for month	14,466	304,092	\$21.02

March-01

EC				FOR CHOICE ANNUAL REPORT 2001	
residential	1,909	\$12,782	\$6.70	KEY:	
commercial	28	\$600	\$21.43	MARKETER A - ENERGY.COM	
industrial	0	\$0	\$0.00	MARKETER B - INTERSTATE GAS SUPPLY	
total	1,937	\$13,382	\$6.91	MARKETER C - MX ENERGY	
IGS				TOTAL SAVINGS MARKETER A CUSTOMERS	\$13,382
residential	20,319	\$222,657	\$10.96	TOTAL SAVINGS MARKETER B CUSTOMERS	\$1,379,045
commercial	3,401	\$199,962	\$58.80	TOTAL SAVINGS MARKETER C CUSTOMERS	\$51,414
industrial	4	\$2,022	\$505.50	TOTAL SAVINGS OTHER MARKETERS	\$14,307
total	23,724	\$424,641	\$17.90	TOTAL	\$1,458,148
MX				CUMULATIVE SAVINGS	
residential	1,180	\$15,794	\$13.38	Residential	\$707,133
commercial	247	\$21,853	\$88.47	Commercial	\$742,558
industrial	2	\$1,624	\$812.00	Industrial	\$8,457
total	1,429	\$39,271	\$27.48	Total	\$1,458,148
Residential Total	23,408	251,233	\$10.73		
Commercial Total	3,676	222,415	\$60.50		
Industrial Total	6	3,646	\$607.67		
GRAND TOTAL for month	27,090	477,294	\$17.62		

April-01

EC			
residential	1,750	\$20,689	\$11.82
commercial	30	\$1,150	\$38.33
industrial	0	\$0	\$0.00
total	1,780	\$21,839	\$12.27
IGS			
residential	24,718	\$195,198	\$7.90
commercial	3,619	\$148,671	\$41.08
industrial	8	\$3,176	\$397.00
total	28,345	\$347,045	\$12.24
MX			
residential	4,165	\$32,935	\$7.91
commercial	444	\$19,625	\$44.20
industrial	3	\$1,594	\$531.33
total	4,612	\$54,154	\$11.74
Residential Total	30,633	248,822	\$8.12
Commercial Total	4,093	169,446	\$41.40
Industrial Total	11	4,770	\$433.64
GRAND TOTAL for month	34,737	423,038	\$12.18

May-01

EC			
residential	1,836	\$2,554	\$1.39
commercial	26	\$105	\$4.04
industrial	0	\$0	\$0.00
total	1,862	\$2,659	\$1.43

IGS			
residential	29,908	\$83,318	\$2.79
commercial	3,834	\$64,371	\$16.79
industrial	8	\$2,109	\$263.63
total	33,750	\$149,798	\$4.44

MX			
residential	4,289	\$7,746	\$1.81
commercial	471	\$7,178	\$15.24
industrial	3	\$1,245	\$415.00
total	4,763	\$16,169	\$3.39

Residential Total	36,033	93,618	\$2.60
Commercial Total	4,331	71,654	\$16.54
Industrial Total	11	3,354	\$304.91
GRAND TOTAL for month	40,375	168,626	\$4.18

June-01

EC			
residential	1,938	\$4,676	\$2.41
commercial	28	\$167	\$5.96
industrial	0	\$0	\$0.00
total	1,966	\$4,843	\$2.46

IGS			
residential	32,695	\$58,680	\$1.79
commercial	4,059	\$58,277	\$14.36
industrial	8	\$2,102	\$262.75
total	36,762	\$119,059	\$3.24

MX			
residential	4,200	\$9,072	\$2.16
commercial	464	\$6,678	\$14.39
industrial	3	\$626	\$208.67
total	4,667	\$16,376	\$3.51

Residential Total	38,833	72,428	\$1.87
Commercial Total	4,551	65,122	\$14.31
Industrial Total	11	2,728	\$248.00
GRAND TOTAL for month	43,395	140,278	\$3.23

July-01

EC			
residential	1,911	\$5,288	\$2.77
commercial	29	\$224	\$7.72
industrial	0	\$0	\$0.00
total	1,940	\$5,512	\$2.84

IGS			
residential	32,562	\$43,849	\$1.35
commercial	4,083	\$43,895	\$10.75
industrial	8	\$2,063	\$257.88
total	36,653	\$89,807	\$2.45

MX			
residential	4,116	\$3,425	\$0.83
commercial	476	\$4,003	\$8.41
industrial	3	\$596	\$198.67
total	4,595	\$8,024	\$1.75

Residential Total	38,589	52,562	\$1.36
Commercial Total	4,588	48,122	\$10.49
Industrial Total	11	2,659	\$241.73
GRAND TOTAL for month	43,188	103,343	\$2.39

August-01

EC			
residential	1,867	\$3,430	\$1.84
commercial	29	\$150	\$5.17
industrial	0	\$0	\$0.00
total	1,896	\$3,580	\$1.89

IGS			
residential	32,302	\$35,722	\$1.11
commercial	4,064	\$38,914	\$9.58
industrial	8	\$1,220	\$152.50
total	36,374	\$75,856	\$2.09

MX			
residential	3,991	(\$1,534)	(\$0.38)
commercial	457	\$1,870	\$4.09
industrial	3	\$341	\$113.67
total	4,451	\$677	\$0.15

Residential Total	38,160	37,618	\$0.99
Commercial Total	4,550	40,934	\$9.00
Industrial Total	11	1,561	\$141.91
GRAND TOTAL for month	42,721	80,113	\$1.88

September-01

EC			
residential	1,841	\$2,124	\$1.15
commercial	29	\$80	\$2.76
industrial	0	\$0	\$0.00
total	1,870	\$2,204	\$1.18

IGS			
residential	31,967	\$22,465	\$0.70
commercial	4,071	\$20,646	\$5.07
industrial	8	\$1,542	\$192.75
total	36,046	\$44,653	\$1.24

MX			
residential	3,912	(\$6,846)	(\$1.75)
commercial	458	(\$861)	(\$1.88)
industrial	3	\$310	\$103.33
total	4,373	(\$7,397)	(\$1.69)

Residential Total	37,720	17,743	\$0.47
Commercial Total	4,558	19,865	\$4.36
Industrial Total	11	1,852	\$168.36
GRAND TOTAL for month	42,289	39,460	\$0.93

October-01

EC			
residential	68	\$6	\$0.09
commercial	1	\$1	\$1.00
industrial	0	\$0	\$0.00
total	69	\$7	\$0.10

IGS			
residential	34,535	\$34,686	\$1.00
commercial	4,104	\$28,799	\$7.02
industrial	8	\$2,142	\$267.75
total	38,647	\$65,627	\$1.70

MX			
residential	5,523	(\$11,863)	(\$2.15)
commercial	497	(\$684)	(\$1.38)
industrial	3	\$324	\$108.00
total	6,023	(\$12,223)	(\$2.03)

Residential Total	40,126	22,829	\$0.57
Commercial Total	4,602	28,116	\$6.11
Industrial Total	11	2,466	\$224.18
GRAND TOTAL for month	44,739	53,411	\$1.19

November-01

IGS				
residential	37,278	\$83,861	\$2.25	
commercial	4,242	\$54,924	\$12.95	
industrial	8	\$2,649	\$331.13	
total	41,528	\$141,434	\$3.41	
MX				
residential	5,988	(\$23,068)	(\$3.85)	
commercial	540	\$570	\$1.06	
industrial	3	\$596	\$198.67	
total	6,531	(\$21,902)	(\$3.35)	
Residential Total	43,266	60,793	\$1.41	
Commercial Total	4,782	55,494	\$11.60	
Industrial Total	11	3,245	\$295.00	
GRAND TOTAL for month	48,059	119,532	\$2.49	

December-01

BC				
residential	360	(\$783)	(\$2.18)	
commercial	10	(\$321)	(\$32.10)	
industrial	0	\$0	\$0.00	
total	370	(\$1,104)	(\$2.98)	
IGS				
residential	39,972	(\$202,297)	(\$5.06)	
commercial	4,628	(\$136,406)	(\$29.47)	
industrial	9	(\$1,935)	(\$215.00)	
total	44,609	(\$340,638)	(\$7.64)	
MX				
residential	6,102	(\$71,470)	(\$11.71)	
commercial	657	(\$21,787)	(\$33.16)	
industrial	3	\$453	\$151.00	
total	6,762	(\$92,804)	(\$13.72)	
Residential Total	46,434	(274,550)	(\$5.91)	
Commercial Total	5,295	(158,514)	(\$29.94)	
Industrial Total	12	(1,482)	(\$123.50)	
GRAND TOTAL for month	51,741	(434,546)	(\$8.40)	

January-02

BC				
residential	855	\$3,916	\$4.58	
commercial	17	\$573	\$33.71	
industrial	0	\$0	\$0.00	
total	872	\$4,489	\$5.15	
IGS				
residential	39,934	(\$432,261)	(\$10.82)	
commercial	4,650	(\$254,379)	(\$54.71)	
industrial	9	\$2,711	\$301.22	
total	44,593	(\$683,929)	(\$15.34)	
MX				
residential	6,563	(\$151,757)	(\$23.12)	
commercial	737	(\$51,213)	(\$69.49)	
industrial	3	\$1,112	\$370.67	
total	7,303	(\$201,858)	(\$27.64)	
Residential Total	47,352	(580,102)	(\$12.25)	
Commercial Total	5,404	(305,019)	(\$56.44)	
Industrial Total	12	3,823	\$318.58	
GRAND TOTAL for month	52,768	(881,298)	(\$16.70)	

February-02

BC			
residential	918	(\$11,191)	(\$12.19)
commercial	18	\$362	\$20.11
industrial	0	\$0	\$0.00
total	936	(\$10,829)	(\$11.57)
IGS			
residential	39,753	(\$331,829)	(\$8.35)
commercial	4,673	(\$240,799)	(\$51.53)
industrial	8	\$2,060	\$257.50
total	44,434	(\$570,568)	(\$12.84)
MX			
residential	6,684	(\$114,031)	(\$17.06)
commercial	751	(\$37,150)	(\$49.47)
industrial	3	\$866	\$288.67
total	7,438	(\$150,315)	(\$20.21)
Residential Total	47,355	(457,051)	(\$9.65)
Commercial Total	5,442	(277,587)	(\$51.01)
Industrial Total	11	2,926	\$266.00
GRAND TOTAL for month	52,808	(731,712)	(\$13.86)

March-02

				SAVINGS NOVEMBER 2000 - MARCH 2002	
				KEY:	
				MARKETER A -ENERGY.COM	
				MARKETER B - INTERSTATE GAS SUPPLY	
				MARKETER C - MX ENERGY	
				MARKETER D - STAND ENERGY	
				MARKETER E - NICOLE ENERGY	
				MARKETER F - KENTUCKY NATURAL GAS	
				MARKETER G - CAC BUYERS CLUB	
BC					
residential	958	(\$24,328)	(\$25.39)		
commercial	21	(\$1,262)	(\$60.10)		
industrial	0	\$0	\$0.00		
total	979	(\$25,590)	(\$26.14)		
IGS					
residential	39,530	(\$721,363)	(\$18.25)		
commercial	4,573	(\$379,691)	(\$83.03)		
industrial	8	(\$439)	(\$54.88)	TOTAL SAVINGS MARKETER A CUSTOMERS	\$54,026
total	44,111	(\$1,101,493)	(\$24.97)	TOTAL SAVINGS MARKETER B CUSTOMERS	(\$284,304)
MX					
residential	6,647	(\$161,743)	(\$24.33)	TOTAL SAVINGS MARKETER C CUSTOMERS	(\$564,737)
commercial	755	(\$63,977)	(\$84.74)	TOTAL SAVINGS MARKETER D CUSTOMERS	(\$19,322)
industrial	3	\$668	\$222.67	TOTAL SAVINGS MARKETER E CUSTOMERS	(\$2,845)
total	7,405	(\$225,052)	(\$30.39)	TOTAL SAVINGS MARKETER F CUSTOMERS	\$36,474
				TOTAL SAVINGS MARKETER G CUSTOMERS	(\$33,034)
				TOTAL	(\$813,742)
Residential Total	47,135	(907,434)	(\$19.25)	Residential	(\$905,591)
Commercial Total	5,349	(444,930)	(\$83.18)	Commercial	\$55,261
Industrial Total	11	229	\$20.82	Industrial	\$36,588
GRAND TOTAL for month	52,495	(1,352,135)	(\$25.76)	Total	(\$813,742)

April-02

BC			
residential	1,022	\$5,974	\$5.85
commercial	22	\$901	\$40.95
industrial	0	\$0	\$0.00
total	1,044	\$6,875	\$6.59
IGS			
residential	39,220	(\$465,561)	(\$11.87)
commercial	4,578	(\$284,020)	(\$62.04)
industrial	8	(\$494)	(\$61.75)
total	43,806	(\$750,075)	(\$17.12)
MX			
residential	6,613	(\$91,364)	(\$13.82)
commercial	747	(\$29,881)	(\$40.00)
industrial	3	\$541	\$180.33
total	7,363	(\$120,704)	(\$16.39)
Residential Total	46,855	(550,951)	(\$11.76)
Commercial Total	5,347	(313,000)	(\$58.54)
Industrial Total	11	47	\$4.27
GRAND TOTAL for month	52,213	(863,904)	(\$16.55)

May-02

BC			
residential	1,104	\$3,013	\$2.73
commercial	22	\$416	\$18.91
industrial	0	\$0	\$0.00
total	1,126	\$3,429	\$3.05
IGS			
residential	39,388	(\$208,377)	(\$5.29)
commercial	4,557	(\$130,866)	(\$28.72)
industrial	8	(\$525)	(\$65.63)
total	43,953	(\$339,768)	(\$7.73)
MX			
residential	6,455	(\$44,298)	(\$6.86)
commercial	729	(\$13,339)	(\$18.30)
industrial	3	\$318	\$106.00
total	7,187	(\$57,319)	(\$7.98)
Residential Total	46,947	(249,662)	(\$5.32)
Commercial Total	5,308	(143,789)	(\$27.09)
Industrial Total	11	(207)	(\$18.82)
GRAND TOTAL for month	52,266	(393,658)	(\$7.53)

June-02

BC			
residential	1,105	\$3,751	\$3.39
commercial	22	\$598	\$27.18
industrial	0	\$0	\$0.00
total	1,127	\$4,349	\$3.86
IGS			
residential	38,422	(\$76,337)	(\$1.99)
commercial	4,492	(\$43,180)	(\$9.61)
industrial	8	(\$346)	(\$43.25)
total	42,922	(\$119,863)	(\$2.79)
MX			
residential	6,343	(\$20,344)	(\$3.21)
commercial	720	(\$5,508)	(\$7.65)
industrial	3	\$319	\$106.33
total	7,066	(\$25,533)	(\$3.61)
Residential Total	45,870	(92,930)	(\$2.03)
Commercial Total	5,234	(48,090)	(\$9.19)
Industrial Total	11	(27)	(\$2.45)
GRAND TOTAL for month	51,115	(141,047)	(\$2.76)

July-02

BC			
residential	1,102	\$2,033	\$1.85
commercial	21	\$458	\$21.83
industrial	0	\$0	\$0.00
total	1,123	\$2,492	\$2.22
IGS			
residential	37,933	(\$42,867)	(\$1.13)
commercial	4,463	(\$32,082)	(\$7.19)
industrial	8	(\$574)	(\$71.75)
total	42,404	(\$75,523)	(\$1.78)
MX			
residential	6,192	(\$10,797)	(\$1.74)
commercial	722	(\$4,947)	(\$6.85)
industrial	3	\$275	\$91.67
total	6,917	(\$15,469)	(\$2.24)
Residential Total	45,227	(51,630)	(\$1.14)
Commercial Total	5,206	(36,570)	(\$7.02)
Industrial Total	11	(299)	(\$27.18)
GRAND TOTAL for month	50,444	(88,500)	(\$1.75)

August-02

BC			
residential	1,089	\$1,815	\$1.67
commercial	22	\$325	\$14.78
industrial	0	\$0	\$0.00
total	1,111	\$2,140	\$1.93
IGS			
residential	37,452	(\$38,892)	(\$1.04)
commercial	4,419	(\$29,923)	(\$6.77)
industrial	8	(\$561)	(\$70.10)
total	41,879	(\$69,376)	(\$1.66)
MX			
residential	6,059	(\$9,701)	(\$1.60)
commercial	717	(\$4,089)	(\$5.70)
industrial	3	\$169	\$56.38
total	6,779	(\$13,620)	(\$2.01)
Residential Total	44,600	(46,778)	(\$1.05)
Commercial Total	5,158	(33,687)	(\$6.53)
Industrial Total	11	(392)	(\$35.60)
GRAND TOTAL for month	49,769	(80,856)	(\$1.62)

September-02

BC			
residential	1,140	\$916	\$0.80
commercial	26	\$196	\$7.56
industrial	0	\$0	\$0.00
total	1,166	\$1,112	\$0.95
IGS			
residential	36,936	(\$50,082)	(\$1.36)
commercial	4,384	(\$44,970)	(\$10.26)
industrial	8	(\$1,222)	(\$152.80)
total	41,328	(\$96,275)	(\$2.33)
MX			
residential	5,958	(\$11,781)	(\$1.98)
commercial	712	(\$5,180)	(\$7.27)
industrial	3	\$243	\$80.88
total	6,673	(\$16,718)	(\$2.51)
Residential Total	44,034	(60,947)	(\$1.38)
Commercial Total	5,122	(49,954)	(\$9.75)
Industrial Total	11	(980)	(\$89.07)
GRAND TOTAL for month	49,167	(111,881)	(\$2.28)

October-02

BC			
residential	1,254	\$133	\$0.11
commercial	60	\$58	\$0.96
industrial	0	\$0	\$0.00
total	1,314	\$191	\$0.15
IGS			
residential	36,243	(\$77,132)	(\$2.13)
commercial	4,336	(\$66,656)	(\$15.37)
industrial	8	(\$289)	(\$36.15)
total	40,587	(\$144,077)	(\$3.55)
MX			
residential	5,958	(\$20,483)	(\$3.44)
commercial	676	(\$5,696)	(\$8.43)
industrial	3	\$281	\$93.69
total	6,637	(\$25,898)	(\$3.90)
Residential Total	43,455	(97,482)	(\$2.24)
Commercial Total	5,072	(72,294)	(\$14.25)
Industrial Total	11	(8)	(\$0.74)
GRAND TOTAL for month	48,538	(169,784)	(\$3.50)

November-02

BC			
residential	1,308	\$479	\$0.37
commercial	60	\$130	\$2.16
industrial	0	\$0	\$0.00
total	1,368	\$609	\$0.45
IGS			
residential	36,007	(\$251,211)	(\$6.98)
commercial	4,316	(\$131,601)	(\$30.49)
industrial	8	(\$87)	(\$10.89)
total	40,331	(\$382,899)	(\$9.49)
MX			
residential	5,808	(\$79,124)	(\$13.62)
commercial	662	(\$13,904)	(\$21.00)
industrial	3	\$414	\$138.06
total	6,473	(\$92,614)	(\$14.31)
Residential Total	43,123	(329,856)	(\$7.65)
Commercial Total	5,038	(145,375)	(\$28.86)
Industrial Total	11	327	\$29.73
GRAND TOTAL for month	48,172	(474,904)	(\$9.86)

December-02

BC			
residential	1,431	\$12,627	\$8.82
commercial	69	\$3,198	\$46.35
industrial	0	\$0	\$0.00
total	1,500	\$15,825	\$10.55
IGS			
residential	35,423	(\$106,562)	(\$3.01)
commercial	4,235	(\$25,548)	(\$6.03)
industrial	7	\$1,884	\$269.21
total	39,665	(\$130,225)	(\$3.28)
MX			
residential	5,670	(\$106,567)	(\$18.79)
commercial	643	(\$25,325)	(\$39.39)
industrial	2	(\$412)	(\$205.92)
total	6,315	(\$132,303)	(\$20.95)
Residential Total	42,524	(200,502)	(\$4.72)
Commercial Total	4,947	(47,674)	(\$9.64)
Industrial Total	9	1,473	\$163.62
GRAND TOTAL for month	47,480	(246,703)	(\$5.20)

January-03

BC			
residential	1,686	\$15,061	\$8.93
commercial	81	\$3,700	\$45.68
industrial	0	\$0	\$0.00
total	1,767	\$18,761	\$10.62
IGS			
residential	34,796	(\$237,789)	(\$6.83)
commercial	4,202	(\$82,608)	(\$19.66)
industrial	7	\$905	\$129.22
total	39,005	(\$319,493)	(\$8.19)
MX			
residential	5,466	(\$174,906)	(\$32.00)
commercial	592	(\$49,346)	(\$83.35)
industrial	2	(\$412)	(\$205.92)
total	6,060	(\$224,664)	(\$37.07)
Residential Total	41,948	(397,634)	(\$9.48)
Commercial Total	4,875	(128,254)	(\$26.31)
Industrial Total	9	493	\$54.74
GRAND TOTAL for month	46,832	(525,396)	(\$11.22)

February-03

BC			
residential	1,804	(\$2,231)	(\$1.24)
commercial	109	\$4,948	\$45.39
industrial	0	\$0	\$0.00
total	1,913	\$2,717	\$1.42
IGS			
residential	34,548	(\$363,108)	(\$10.51)
commercial	4,159	\$180,963	\$43.51
industrial	7	\$378	\$53.93
total	38,714	(\$181,768)	(\$4.70)
MX			
residential	5,377	(\$177,272)	(\$32.97)
commercial	588	(\$54,875)	(\$93.33)
industrial	1	(\$109)	(\$109.17)
total	5,966	(\$232,256)	(\$38.93)
Residential Total	41,729	(542,610)	(\$13.00)
Commercial Total	4,856	131,036	\$26.98
Industrial Total	8	268	\$33.54
GRAND TOTAL for month	46,593	(411,306)	(\$8.83)

March-03

BC			
residential	1,944	(\$56,535)	(\$29.08)
commercial	125	(\$3,312)	(\$26.49)
industrial	0	\$0	\$0.00
total	2,069	(\$59,847)	(\$28.93)
IGS			
residential	34,469	\$552,539	\$16.03
commercial	4,183	\$304,575	\$72.81
industrial	7	\$2,738	\$391.19
total	38,659	\$859,852	\$22.24
MX			
residential	5,190	\$57,306	\$11.04
commercial	583	\$54,157	\$92.89
industrial	1	\$390	\$390.35
total	5,774	\$111,854	\$19.37
Residential Total	41,603	553,310	\$13.30
Commercial Total	4,891	355,420	\$72.67
Industrial Total	8	3,129	\$391.09
GRAND TOTAL for month	46,502	911,860	\$19.61

SAVINGS NOVEMBER 2000 - MARCH 2003
KEY:

MARKETER A - ENERGY.COM
MARKETER B - INTERSTATE GAS SUPPLY
MARKETER C - MX ENERGY
MARKETER D - STAND ENERGY
MARKETER E - NICOLE ENERGY
MARKETER F - KENTUCKY NATURAL GAS
MARKETER G - CAC BUYERS CLUB

TOTAL SAVINGS MARKETER A CUSTOMERS	\$54,026
TOTAL SAVINGS MARKETER B CUSTOMERS	(\$2,033,793)
TOTAL SAVINGS MARKETER C CUSTOMERS	(\$1,409,981)
TOTAL SAVINGS MARKETER D CUSTOMERS	(\$19,322)
TOTAL SAVINGS MARKETER E CUSTOMERS	(\$2,845)
TOTAL SAVINGS MARKETER F CUSTOMERS	\$36,474
TOTAL SAVINGS MARKETER G CUSTOMERS	(\$34,380)
TOTAL	(\$3,409,821)
Residential	(\$2,973,262)
Commercial	(\$476,970)
Industrial	\$40,412
Total	(\$3,409,821)

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COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 03-21-2003

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	-10,560.16	+1,634	-6.46
	COM	-3,311.54	+125	-26.49
	IND	+0.00	+0	+0.00
CAK	RES	-45,975.11	+310	-148.30
	COM	+0.00	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	+552,529.17	+34,469	+16.02
	COM	+266,881.21	+4,138	+64.49
	IND	+1,846.44	+4	+461.61
MXK	RES	+57,306.46	+5,190	+11.04
	COM	+46,613.81	+575	+81.06
	IND	+390.35	+1	+390.35
RES GRAND TOTAL %		+553,300.36	+41,603	+13.29
COM GRAND TOTAL %		+310,183.48	+4,838	+64.11
IND GRAND TOTAL %		+2,236.79	+5	+447.35
GRAND TOTAL %		+865,720.63	+46,446	+18.63

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

REPORT DATE 03-21-2003

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+37,693.58	+45	+837.63
	IND	+891.91	+3	+297.30
MXK	RES	+0.00	+0	+0.00
	COM	+7,543.27	+8	+942.90
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+45,236.85	+53	+853.52
IND GRAND TOTAL %		+891.91	+3	+297.30
GRAND TOTAL %		+46,128.76	+56	+823.72

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 02-21-2003

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+10,916.38	+1,498	+7.28
	COM	+4,948.05	+109	+45.39
	IND	+0.00	+0	+0.00
CAK	RES	-13,147.20	+306	-42.96
	COM	+0.00	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-363,107.92	+34,548	-10.51
	COM	-191,328.10	+4,114	-46.50
	IND	-822.54	+4	-205.63
MXK	RES	-177,271.55	+5,377	-32.96
	COM	-52,350.46	+583	-89.79
	IND	-109.17	+1	-109.17
RES GRAND TOTAL %		-542,610.29	+41,729	-13.00
COM GRAND TOTAL %		-238,730.51	+4,806	-49.67
IND GRAND TOTAL %		-931.71	+5	-186.34
GRAND TOTAL %		-782,272.51	+46,540	-16.80

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

REPORT DATE 02-21-2003

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-10,365.22	+45	-230.33
	IND	+1,200.04	+3	+400.01
MXK	RES	+0.00	+0	+0.00
	COM	-2,524.87	+5	-504.97
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %				
		+0.00	+0	+0.00
COM GRAND TOTAL %				
		-12,890.09	+50	-257.80
IND GRAND TOTAL %				
		+1,200.04	+3	+400.01
GRAND TOTAL %				
		-11,690.05	+53	-220.56

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - CAB

REPORT DATE 01-21-2003

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+11,662.25	+1,374	+8.48
	COM	+3,700.39	+81	+45.68
	IND	+0.00	+0	+0.00
CAK	RES	+3,399.44	+312	+10.89
	COM	+21.94	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-237,789.20	+34,796	-6.83
	COM	-71,774.74	+4,158	-17.26
	IND	-472.00	+4	-118.00
MXX	RES	-174,905.97	+5,466	-31.99
	COM	-47,011.73	+587	-80.08
	IND	-400.81	+2	-200.40
RES GRAND TOTAL %		-397,633.48	+41,948	-9.47
COM GRAND TOTAL %		-115,064.14	+4,826	-23.84
IND GRAND TOTAL %		-872.81	+6	-145.46
GRAND TOTAL %		-513,570.43	+46,780	-10.97

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

REPORT DATE 01-21-2003

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-10,833.59	+44	-246.21
	IND	+1,376.54	+3	+458.84
MXK	RES	+0.00	+0	+0.00
	COM	-2,334.38	+5	-466.87
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-13,167.97	+49	-268.73
IND GRAND TOTAL %		+1,376.54	+3	+458.84
GRAND TOTAL %		-11,791.43	+52	-226.75

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 12-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+9,134.04	+1,111	+8.22
	COM	+3,198.29	+69	+46.35
	IND	+0.00	+0	+0.00
CAK	RES	+3,492.82	+320	+10.91
	COM	+46.84	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-106,562.07	+35,423	-3.00
	COM	-26,766.57	+4,186	-6.39
	IND	+589.17	+4	+147.29
MXK	RES	-106,566.58	+5,670	-18.79
	COM	-24,662.30	+637	-38.71
	IND	-411.84	+2	-205.92
RES GRAND TOTAL %		-200,501.79	+42,524	-4.71
COM GRAND TOTAL %		-48,183.74	+4,892	-9.84
IND GRAND TOTAL %		+177.33	+6	+29.55
GRAND TOTAL %		-248,508.20	+47,422	-5.24

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 12-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+1,218.76	+49	+24.87
	IND	+1,295.27	+3	+431.75
MXK	RES	+0.00	+0	+0.00
	COM	-662.27	+6	-110.37
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+556.49	+55	+10.11
IND GRAND TOTAL %		+1,295.27	+3	+431.75
GRAND TOTAL %		+1,851.76	+58	+31.92

COLUMBIA GAS OF KENTUCKY INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 11-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+323.03	+990	+0.32
	COM	+129.88	+60	+2.16
	IND	+0.00	+0	+0.00
CAK	RES	+155.84	+318	+0.49
	COM	+1.79	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-251,211.20	+36,007	-6.97
	COM	-115,465.34	+4,270	-27.04
	IND	-773.04	+5	-154.60
MXK	RES	-79,124.31	+5,808	-13.62
	COM	-14,087.10	+655	-21.50
	IND	+414.18	+3	+138.06
RES GRAND TOTAL %		-329,856.64	+43,123	-7.64
COM GRAND TOTAL %		-129,420.77	+4,985	-25.96
IND GRAND TOTAL %		-358.86	+8	-44.85
GRAND TOTAL %		-459,636.27	+48,116	-9.55

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 11-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-16,135.45	+46	-350.77
	IND	+685.91	+3	+228.63
MXK	RES	+0.00	+0	+0.00
	COM	+183.38	+7	+26.19
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-15,952.07	+53	-300.98
IND GRAND TOTAL %		+685.91	+3	+228.63
GRAND TOTAL %		-15,266.16	+56	-272.61

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 10-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+91.42	+937	+0.09
	COM	+57.63	+60	+0.96
	IND	+0.00	+0	+0.00
CAK	RES	+42.25	+317	+0.13
	COM	+0.11	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-77,132.00	+36,243	-2.12
	COM	-55,074.26	+4,290	-12.83
	IND	-766.17	+5	-153.23
MXK	RES	-20,483.30	+5,874	-3.48
	COM	-5,851.28	+667	-8.77
	IND	+281.06	+3	+93.68
RES GRAND TOTAL %		-97,481.63	+43,371	-2.24
COM GRAND TOTAL %		-60,867.80	+5,017	-12.13
IND GRAND TOTAL %		-485.11	+8	-60.63
GRAND TOTAL %		-158,834.54	+48,396	-3.28

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 10-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-11,581.30	+46	-251.76
	IND	+477.04	+3	+159.01
MXK	RES	+0.00	+0	+0.00
	COM	+154.89	+9	+17.21
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-11,426.41	+55	-207.75
IND GRAND TOTAL %		+477.04	+3	+159.01
GRAND TOTAL %		-10,949.37	+58	-188.78

REPORT DATE 09-21-2002

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+624.53	+806	+0.77
	COM	+196.48	+26	+7.55
	IND	+0.00	+0	+0.00
CAK	RES	+290.79	+334	+0.87
	COM	+3.83	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-50,082.09	+36,936	-1.35
	COM	-41,840.83	+4,338	-9.64
	IND	-1,287.98	+5	-257.59
MXK	RES	-11,780.55	+5,958	-1.97
	COM	-5,221.03	+703	-7.42
	IND	+242.64	+3	+80.88
RES GRAND TOTAL %		-60,947.32	+44,034	-1.38
COM GRAND TOTAL %		-46,861.55	+5,067	-9.24
IND GRAND TOTAL %		-1,045.34	+8	-130.66
GRAND TOTAL %		-108,854.21	+49,109	-2.21

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 09-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-3,129.63	+46	-68.03
	IND	+65.62	+3	+21.87
MXK	RES	+0.00	+0	+0.00
	COM	+41.30	+9	+4.58
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-3,088.33	+55	-56.15
IND GRAND TOTAL %		+65.62	+3	+21.87
GRAND TOTAL %		-3,022.71	+58	-52.11

REPORT DATE 08-21-2002

COLUMBIA GAS OF KENTUCKY INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+1,193.13	+754	+1.58
	COM	+325.22	+22	+14.78
	IND	+0.00	+0	+0.00
CAK	RES	+622.22	+335	+1.85
	COM	+2.46	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-38,891.84	+37,452	-1.03
	COM	-28,141.63	+4,373	-6.43
	IND	-592.76	+5	-118.55
MXK	RES	-9,700.98	+6,059	-1.60
	COM	-4,187.37	+708	-5.91
	IND	+169.14	+3	+56.38
RES GRAND TOTAL %		-46,777.47	+44,600	-1.04
COM GRAND TOTAL %		-32,001.32	+5,103	-6.27
IND GRAND TOTAL %		-423.62	+8	-52.95
GRAND TOTAL %		-79,202.41	+49,711	-1.59

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 08-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-1,781.72	+46	-38.73
	IND	+32.00	+3	+10.66
MXK	RES	+0.00	+0	+0.00
	COM	+98.79	+9	+10.97
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-1,682.93	+55	-30.59
IND GRAND TOTAL %		+32.00	+3	+10.66
GRAND TOTAL %		-1,650.93	+58	-28.46

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 07-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+1,359.41	+772	+1.76
	COM	+458.41	+21	+21.82
	IND	+0.00	+0	+0.00
CAK	RES	+674.11	+330	+2.04
	COM	+4.92	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-42,867.49	+37,933	-1.13
	COM	-30,359.88	+4,418	-6.87
	IND	-676.47	+5	-135.29
MXK	RES	-10,796.89	+6,192	-1.74
	COM	-5,087.73	+713	-7.13
	IND	+275.13	+3	+91.71
RES GRAND TOTAL %				
-51,630.86				
COM GRAND TOTAL %				
-34,984.28				
IND GRAND TOTAL %				
-401.34				
GRAND TOTAL %				
-87,016.48				

COLUMBIA GAS OF KENTUCKY INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 07-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-1,722.22	+45	-38.27
	IND	+101.82	+3	+33.94
MXK	RES	+0.00	+0	+0.00
	COM	+141.33	+9	+15.70
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-1,580.89	+54	-29.27
IND GRAND TOTAL %		+101.82	+3	+33.94
GRAND TOTAL %		-1,479.07	+57	-25.94

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 06-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+2,303.71	+780	+2.95
	COM	+597.79	+22	+27.17
	IND	+0.00	+0	+0.00
CAK	RES	+1,447.38	+325	+4.45
	COM	+3.19	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-76,336.65	+38,422	-1.98
	COM	-40,769.87	+4,433	-9.19
	IND	-504.38	+5	-100.87
MXK	RES	-20,344.14	+6,343	-3.20
	COM	-5,668.91	+711	-7.97
	IND	+319.16	+3	+106.38
RES GRAND TOTAL %		-92,929.70	+45,870	-2.02
COM GRAND TOTAL %		-45,837.80	+5,166	-8.87
IND GRAND TOTAL %		-185.22	+8	-23.15
GRAND TOTAL %		-138,952.72	+51,044	-2.72

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 06-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-2,409.74	+49	-49.17
	IND	+157.59	+3	+52.53
MXK	RES	+0.00	+0	+0.00
	COM	+160.55	+9	+17.83
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-2,249.19	+58	-38.77
IND GRAND TOTAL %		+157.59	+3	+52.53
GRAND TOTAL %		-2,091.60	+61	-34.28

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 05-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+1,830.05	+769	+2.37
	COM	+416.03	+22	+18.91
	IND	+0.00	+0	+0.00
CAK	RES	+1,182.87	+335	+3.53
	COM	+3.88	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-208,377.43	+39,388	-5.29
	COM	-117,203.12	+4,519	-25.93
	IND	-976.30	+5	-195.26
MXK	RES	-44,297.84	+6,455	-6.86
	COM	-13,333.21	+720	-18.51
	IND	+317.91	+3	+105.97
RES GRAND TOTAL %		-249,662.35	+46,947	-5.31
COM GRAND TOTAL %		-130,116.42	+5,261	-24.73
IND GRAND TOTAL %		-658.39	+8	-82.29
GRAND TOTAL %		-380,437.16	+52,216	-7.28

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 05-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-13,662.69	+38	-359.54
	IND	+450.93	+3	+150.31
MXK	RES	+0.00	+0	+0.00
	COM	-5.89	+9	-0.65
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-13,668.58	+47	-290.82
IND GRAND TOTAL %		+450.93	+3	+150.31
GRAND TOTAL %		-13,217.65	+50	-264.35

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAB
 AVERAGE SAVINGS

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+3,429.20	+683	+5.02
	COM	+901.45	+22	+40.97
	IND	+0.00	+0	+0.00
CAK	RES	+2,544.99	+339	+7.50
	COM	+0.00	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-465,561.14	+39,220	-11.87
	COM	-237,635.41	+4,508	-52.71
	IND	-1,236.71	+5	-247.34
MXK	RES	-91,363.84	+6,613	-13.81
	COM	-29,192.04	+738	-39.55
	IND	+540.72	+3	+180.24
RES GRAND TOTAL %		-550,950.79	+46,855	-11.75
COM GRAND TOTAL %		-265,926.00	+5,268	-50.47
IND GRAND TOTAL %		-695.99	+8	-86.99
GRAND TOTAL %		-817,572.78	+52,131	-15.68

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 04-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-46,385.34	+70	-662.64
	IND	+743.45	+3	+247.81
MXK	RES	+0.00	+0	+0.00
	COM	-688.83	+9	-76.53
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-47,074.17	+79	-595.87
IND GRAND TOTAL %		+743.45	+3	+247.81
GRAND TOTAL %		-46,330.72	+82	-565.00

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 03-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	-4,454.94	+608	-7.32
	COM	-1,262.22	+21	-60.10
	IND	+0.00	+0	+0.00
CAK	RES	-19,819.78	+350	-56.62
	COM	-53.30	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-721,363.17	+39,530	-18.24
	COM	-340,983.46	+4,535	-75.18
	IND	-1,754.09	+5	-350.81
MXK	RES	-161,743.10	+6,647	-24.33
	COM	-55,356.88	+746	-74.20
	IND	+667.69	+3	+222.56
RES GRAND TOTAL %		-907,380.99	+47,135	-19.25
COM GRAND TOTAL %		-397,655.86	+5,302	-75.00
IND GRAND TOTAL %		-1,086.40	+8	-135.80
GRAND TOTAL %		-1,306,123.25	+52,445	-24.90

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 03-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
ICK	RES	+0.00	+0	+0.00
	COM	-38,708.11	+38	-1,018.63
	IND	+1,315.30	+3	+438.43
MXK	RES	+0.00	+0	+0.00
	COM	-8,620.36	+9	-957.81
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-47,328.47	+47	-1,006.98
IND GRAND TOTAL %		+1,315.30	+3	+438.43
GRAND TOTAL %		-46,013.17	+50	-920.26

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 02-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+1,698.23	+563	+3.01
	COM	+362.04	+18	+20.11
	IND	+0.00	+0	+0.00
CAK	RES	-12,741.72	+355	-35.89
	COM	-147.32	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-331,828.87	+39,753	-8.34
	COM	-164,076.58	+4,602	-35.65
	IND	+177.40	+5	+35.48
MXK	RES	-114,031.00	+6,684	-17.06
	COM	-30,971.43	+742	-41.74
	IND	+866.36	+3	+288.78
RES GRAND TOTAL %		-456,903.36	+47,355	-9.64
COM GRAND TOTAL %		-194,833.29	+5,362	-36.33
IND GRAND TOTAL %		+1,043.76	+8	+130.47
GRAND TOTAL %		-650,692.89	+52,725	-12.34

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

REPORT DATE 02-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-76,721.56	+71	-1,080.58
	IND	+1,883.12	+3	+627.70
MXX	RES	+0.00	+0	+0.00
	COM	-6,178.63	+9	-686.51
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-82,900.19	+80	-1,036.25
IND GRAND TOTAL %		+1,883.12	+3	+627.70
GRAND TOTAL %		-81,017.07	+83	-976.10

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - CAB
 AVERAGE SAVINGS

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+1,942.00	+492	+3.94
	COM	+572.63	+17	+33.68
	IND	+0.00	+0	+0.00
CAK	RES	+1,959.62	+363	+5.39
	COM	+14.37	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-432,261.35	+39,934	-10.82
	COM	-212,007.75	+4,603	-46.05
	IND	+366.97	+5	+73.39
MXK	RES	-151,756.96	+6,563	-23.12
	COM	-42,021.65	+728	-57.72
	IND	+1,112.18	+3	+370.72
RES GRAND TOTAL %		-580,116.69	+47,352	-12.25
COM GRAND TOTAL %		-253,442.40	+5,348	-47.39
IND GRAND TOTAL %		+1,479.15	+8	+184.89
GRAND TOTAL %		-832,079.94	+52,708	-15.78

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS

REPORT DATE 01-21-2002

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-42,371.26	+47	-901.51
	IND	+2,343.72	+4	+585.93
MXX	RES	+0.00	+0	+0.00
	COM	-9,190.54	+9	-1,021.17
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-51,561.80	+56	-920.74
IND GRAND TOTAL %		+2,343.72	+4	+585.93
GRAND TOTAL %		-49,218.08	+60	-820.30

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 12-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	-782.52	+360	-2.17
	COM	-320.82	+10	-32.08
	IND	+0.00	+0	+0.00
CAK	RES	-10,162.71	+361	-28.15
	COM	-93.46	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	-192,133.64	+39,611	-4.85
	COM	-108,418.61	+4,582	-23.66
	IND	+102.55	+5	+20.51
MXK	RES	-71,469.58	+6,102	-11.71
	COM	-17,644.76	+648	-27.22
	IND	+452.83	+3	+150.94
RES GRAND TOTAL %		-274,548.45	+46,434	-5.91
COM GRAND TOTAL %		-126,477.65	+5,240	-24.13
IND GRAND TOTAL %		+555.38	+8	+69.42
GRAND TOTAL %		-400,470.72	+51,682	-7.74

CC004000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 12-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	-27,986.91	+46	-608.41
	IND	-2,037.61	+4	-509.40
MXK	RES	+0.00	+0	+0.00
	COM	-4,142.38	+9	-460.26
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-32,129.29	+55	-584.16
IND GRAND TOTAL %		-2,037.61	+4	-509.40
GRAND TOTAL %		-34,166.90	+59	-579.10

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 11-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
CAK	RES	-3,929.06	+367	-10.70
	COM	-28.72	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	+87,789.94	+36,911	+2.37
	COM	+49,054.89	+4,206	+11.66
	IND	+1,522.40	+5	+304.48
MXK	RES	-23,067.73	+5,988	-3.85
	COM	+107.96	+531	+0.20
	IND	+596.13	+3	+198.71
RES GRAND TOTAL %		+60,793.15	+43,266	+1.40
COM GRAND TOTAL %		+49,134.13	+4,737	+10.37
IND GRAND TOTAL %		+2,118.53	+8	+264.81
GRAND TOTAL %		+112,045.81	+48,011	+2.33

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 11-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+5,869.37	+36	+163.03
	IND	+1,126.64	+3	+375.54
MYK	RES	+0.00	+0	+0.00
	COM	+461.87	+9	+51.31
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+6,331.24	+45	+140.69
IND GRAND TOTAL %		+1,126.64	+3	+375.54
GRAND TOTAL %		+7,457.88	+48	+155.37

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 10-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
CAK	RES	-1,984.07	+374	-5.30
	COM	-22.18	+0	+0.00
	IND	+0.00	+0	+0.00
ECK	RES	+6.09	+68	+0.08
	COM	+0.60	+1	+0.60
	IND	+0.00	+0	+0.00
IGK	RES	+36,669.85	+34,161	+1.07
	COM	+28,654.55	+4,067	+7.04
	IND	+1,426.77	+5	+285.35
MXK	RES	-11,863.37	+5,523	-2.14
	COM	-1,396.20	+488	-2.86
	IND	+324.08	+3	+108.02
RES GRAND TOTAL %		+22,828.50	+40,126	+0.56
COM GRAND TOTAL %		+27,236.77	+4,556	+5.97
IND GRAND TOTAL %		+1,750.85	+8	+218.85
GRAND TOTAL %		+51,816.12	+44,690	+1.15

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS

REPORT DATE 10-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+143.83	+37	+3.88
	IND	+714.63	+3	+238.21
MXK	RES	+0.00	+0	+0.00
	COM	+712.19	+9	+79.13
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+856.02	+46	+18.60
IND GRAND TOTAL %		+714.63	+3	+238.21
GRAND TOTAL %		+1,570.65	+49	+32.05

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - CAB
 AVERAGE SAVINGS

REPORT DATE 09-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
CAK	RES	-777.08	+373	-2.08
	COM	-3.82	+0	+0.00
	IND	+0.00	+0	+0.00
ECK	RES	+2,123.77	+1,841	+1.15
	COM	+79.59	+29	+2.74
	IND	+0.00	+0	+0.00
IGK	RES	+23,241.68	+31,594	+0.73
	COM	+20,171.21	+4,034	+5.00
	IND	+1,336.95	+5	+267.39
MXK	RES	-6,845.65	+3,912	-1.74
	COM	-1,292.13	+449	-2.87
	IND	+310.45	+3	+103.48
RES GRAND TOTAL %		+17,742.72	+37,720	+0.47
COM GRAND TOTAL %		+18,954.85	+4,512	+4.20
IND GRAND TOTAL %		+1,647.40	+8	+205.92
GRAND TOTAL %		+38,344.97	+42,240	+0.90

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 09-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+475.29	+37	+12.84
	IND	+205.37	+3	+68.45
MXK	RES	+0.00	+0	+0.00
	COM	+431.13	+9	+47.90
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+906.42	+46	+19.70
IND GRAND TOTAL %		+205.37	+3	+68.45
GRAND TOTAL %		+1,111.79	+49	+22.68

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 08-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
CAK	RES	-40.49	+386	-0.10
	COM	-0.50	+0	+0.00
	IND	+0.00	+0	+0.00
ECK	RES	+3,429.57	+1,867	+1.83
	COM	+150.03	+29	+5.17
	IND	+0.00	+0	+0.00
IGK	RES	+35,761.97	+31,916	+1.12
	COM	+36,773.47	+4,026	+9.13
	IND	+1,092.02	+5	+218.40
MXK	RES	-1,534.21	+3,991	-0.38
	COM	+1,329.93	+448	+2.96
	IND	+340.72	+3	+113.57
RES GRAND TOTAL %		+37,616.84	+38,160	+0.98
COM GRAND TOTAL %		+38,252.93	+4,503	+8.49
IND GRAND TOTAL %		+1,432.74	+8	+179.09
GRAND TOTAL %		+77,302.51	+42,671	+1.81

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

REPORT DATE 08-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+2,141.25	+38	+56.34
	IND	+128.09	+3	+42.69
MXX	RES	+0.00	+0	+0.00
	COM	+539.81	+9	+59.97
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+2,681.06	+47	+57.04
IND GRAND TOTAL %		+128.09	+3	+42.69
GRAND TOTAL %		+2,809.15	+50	+56.18

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
CAK	RES	+893.35	+395	+2.26
	COM	+5.05	+0	+0.00
	IND	+0.00	+0	+0.00
ECK	RES	+5,288.23	+1,911	+2.76
	COM	+224.01	+29	+7.72
	IND	+0.00	+0	+0.00
TCK	RES	+42,955.57	+32,167	+1.33
	COM	+40,151.74	+4,045	+9.92
	IND	+1,906.00	+5	+381.20
MXK	RES	+3,425.29	+4,116	+0.83
	COM	+3,385.90	+467	+7.25
	IND	+596.13	+3	+198.71
RES GRAND TOTAL %		+52,562.44	+38,589	+1.36
COM GRAND TOTAL %		+43,766.70	+4,541	+9.63
IND GRAND TOTAL %		+2,502.13	+8	+312.76
GRAND TOTAL %		+98,831.27	+43,138	+2.29

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 07-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+3,742.90	+38	+98.49
	IND	+156.87	+3	+52.29
MXK	RES	+0.00	+0	+0.00
	COM	+617.38	+9	+68.59
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+4,360.28	+47	+92.77
IND GRAND TOTAL %		+156.87	+3	+52.29
GRAND TOTAL %		+4,517.15	+50	+90.34

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 06-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
CAK	RES	-1,068.12	+221	-4.83
	COM	+6.44	+0	+0.00
	IND	+0.00	+0	+0.00
ECK	RES	+4,675.55	+1,938	+2.41
	COM	+166.90	+28	+5.96
	IND	+0.00	+0	+0.00
IGK	RES	+59,748.10	+32,474	+1.83
	COM	+54,457.82	+4,035	+13.49
	IND	+1,885.17	+5	+377.03
MXK	RES	+9,072.42	+4,200	+2.16
	COM	+5,899.62	+455	+12.96
	IND	+625.82	+3	+208.60
RES GRAND TOTAL %		+72,427.95	+38,833	+1.86
COM GRAND TOTAL %		+60,530.78	+4,518	+13.39
IND GRAND TOTAL %		+2,510.99	+8	+313.87
GRAND TOTAL %		+135,469.72	+43,359	+3.12

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 06-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+3,818.98	+24	+159.12
	IND	+217.05	+3	+72.35
MXK	RES	+0.00	+0	+0.00
	COM	+777.50	+9	+86.38
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+4,596.48	+33	+139.28
IND GRAND TOTAL %		+217.05	+3	+72.35
GRAND TOTAL %		+4,813.53	+36	+133.70

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 05-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
ECK	RES	+2,554.38	+1,836	+1.39
	COM	+105.32	+26	+4.05
	IND	+0.00	+0	+0.00
IGK	RES	+83,318.02	+29,908	+2.78
	COM	+59,142.56	+3,810	+15.52
	IND	+1,773.93	+5	+354.78
MXK	RES	+7,746.15	+4,289	+1.80
	COM	+5,926.25	+462	+12.82
	IND	+1,244.63	+3	+414.87
RES GRAND TOTAL %		+93,618.55	+36,033	+2.59
COM GRAND TOTAL %		+65,174.13	+4,298	+15.16
IND GRAND TOTAL %		+3,018.56	+8	+377.32
GRAND TOTAL %		+161,811.24	+40,339	+4.01

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+5,227.52	+24	+217.81
	IND	+335.05	+3	+111.68
MXK	RES	+0.00	+0	+0.00
	COM	+1,252.27	+9	+139.14
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+6,479.79	+33	+196.35
IND GRAND TOTAL %		+335.05	+3	+111.68
GRAND TOTAL %		+6,814.84	+36	+189.30

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - CAB
 AVERAGE SAVINGS

REPORT DATE 04-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
ECK	RES	+20,689.18	+1,750	+11.82
	COM	+1,149.93	+30	+38.33
	IND	+0.00	+0	+0.00
IGK	RES	+195,197.89	+24,718	+7.89
	COM	+139,323.47	+3,595	+38.75
	IND	+2,178.62	+5	+435.72
MXK	RES	+32,934.52	+4,165	+7.90
	COM	+16,931.89	+435	+38.92
	IND	+1,594.17	+3	+531.39
RES GRAND TOTAL %		+248,821.59	+30,633	+8.12
COM GRAND TOTAL %		+157,405.29	+4,060	+38.76
IND GRAND TOTAL %		+3,772.79	+8	+471.59
GRAND TOTAL %		+409,999.67	+34,701	+11.81

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 04-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+9,347.93	+24	+389.49
	IND	+996.68	+3	+332.22
MXK	RES	+0.00	+0	+0.00
	COM	+2,692.65	+9	+299.18
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+12,040.58	+33	+364.86
IND GRAND TOTAL %		+996.68	+3	+332.22
GRAND TOTAL %		+13,037.26	+36	+362.14

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 03-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
ECK	RES	+12,782.48	+1,909	+6.69
	COM	+600.41	+28	+21.44
	IND	+0.00	+0	+0.00
IGK	RES	+222,656.98	+20,319	+10.95
	COM	+191,131.47	+3,386	+56.44
	IND	+2,021.89	+4	+505.47
MXK	RES	+15,794.37	+1,180	+13.38
	COM	+18,033.99	+241	+74.82
	IND	+1,624.48	+2	+812.24
RES GRAND TOTAL		+251,233.83	+23,408	+10.73
COM GRAND TOTAL		+209,765.87	+3,655	+57.39
IND GRAND TOTAL		+3,646.37	+6	+607.72
GRAND TOTAL		+464,646.07	+27,069	+17.16

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS

REPORT DATE 03-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+8,830.94	+15	+588.72
	IND	+0.00	+0	+0.00
MXK	RES	+0.00	+0	+0.00
	COM	+3,818.51	+6	+636.41
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+12,649.45	+21	+602.35
IND GRAND TOTAL %		+0.00	+0	+0.00
GRAND TOTAL %		+12,649.45	+21	+602.35

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 02-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+140,415.54	+11,644	+12.05
	COM	+145,293.23	+2,352	+61.77
	IND	+1,755.21	+4	+438.80
MXK	RES	+4,813.56	+438	+10.98
	COM	+249.74	+13	+19.21
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+145,229.10	+12,082	+12.02
COM GRAND TOTAL %		+145,542.97	+2,365	+61.54
IND GRAND TOTAL %		+1,755.21	+4	+438.80
GRAND TOTAL %		+292,527.28	+14,451	+20.24

CC04000C

REPORT DATE 02-21-2001

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+11,366.89	+14	+811.92
	IND	+0.00	+1	+0.00
KGK	RES	+0.00	+0	+0.00
	COM	+902.88	+1	+902.88
	IND	+0.00	+0	+0.00
MXK	RES	+0.00	+0	+0.00
	COM	+197.61	+1	+197.61
	IND	+0.00	+0	+0.00
NIK	RES	+0.00	+0	+0.00
	COM	+14,838.94	+5	+2,967.78
	IND	+0.00	+0	+0.00
STK	RES	+0.00	+0	+0.00
	COM	-39,452.67	+4	-9,863.16
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-12,146.35	+25	-485.85
IND GRAND TOTAL %		+0.00	+1	+0.00
GRAND TOTAL %		-12,146.35	+26	-467.16

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - CAB
 AVERAGE SAVINGS

REPORT DATE 01-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+185,331.58	+10,726	+17.27
	COM	+203,716.35	+2,225	+91.55
	IND	+668.30	+2	+334.15
MXK	RES	+6,634.71	+390	+17.01
	COM	+245.91	+9	+27.32
	IND	+0.00	+0	+0.00
STK	RES	-51.52	+1	-51.52
	COM	-367.12	+1	-367.12
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+191,914.77	+11,117	+17.26
COM GRAND TOTAL %		+203,595.14	+2,235	+91.09
IND GRAND TOTAL %		+668.30	+2	+334.15
GRAND TOTAL %		+396,178.21	+13,354	+29.66

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 01-21-2001

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+14,448.34	+14	+1,032.02
	IND	+0.00	+1	+0.00
KGK	RES	+0.00	+0	+0.00
	COM	+1,004.90	+1	+1,004.90
	IND	+0.00	+0	+0.00
NIK	RES	+0.00	+0	+0.00
	COM	+18,112.28	+5	+3,622.45
	IND	+0.00	+0	+0.00
STK	RES	+0.00	+0	+0.00
	COM	-58,910.65	+4	-14,727.66
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		-25,345.13	+24	-1,056.04
IND GRAND TOTAL %		+0.00	+1	+0.00
GRAND TOTAL %		-25,345.13	+25	-1,013.80

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 12-21-2000

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+119,348.45	+10,030	+11.89
	COM	+119,879.59	+2,072	+57.85
	IND	+192.92	+1	+192.92
KGK	RES	+7,931.23	+676	+11.73
	COM	+22,291.88	+225	+99.07
	IND	+1,541.84	+2	+770.92
NIK	RES	-7,873.09	+691	-11.39
	COM	+5,028.03	+26	+193.38
	IND	+0.00	+0	+0.00
STK	RES	-1,611.58	+239	-6.74
	COM	-16,657.17	+410	-40.62
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+117,795.01	+11,636	+10.12
COM GRAND TOTAL %		+130,542.33	+2,733	+47.76
IND GRAND TOTAL %		+1,734.76	+3	+578.25
GRAND TOTAL %		+250,072.10	+14,372	+17.39

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - GAS
AVERAGE SAVINGS

REPORT DATE 11-21-2000

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
KGK	RES	+0.00	+0	+0.00
	COM	+2,030.20	+4	+507.55
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %				
		+0.00	+0	+0.00
COM GRAND TOTAL %				
		+2,030.20	+4	+507.55
IND GRAND TOTAL %				
		+0.00	+0	+0.00
GRAND TOTAL %				
		+2,030.20	+4	+507.55

CC04000C

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - CAB
 AVERAGE SAVINGS

REPORT DATE 11-21-2000

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
KGK	RES	+368.79	+80	+4.60
	COM	+1,252.08	+52	+24.07
	IND	+652.55	+2	+326.27
STK	RES	+211.43	+184	+1.14
	COM	+283.49	+113	+2.50
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+580.22	+264	+2.19
COM GRAND TOTAL %		+1,535.57	+165	+9.30
IND GRAND TOTAL %		+652.55	+2	+326.27
GRAND TOTAL %		+2,768.34	+431	+6.42

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION STAFF
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Question No. 2

Refer to page 4 of Columbia's motion to terminate the Choice Program. The first sentence in the first full paragraph discusses Columbia's stranded costs and states that "Columbia will likely incur substantial stranded costs that it will not be able to recover" if the program continues beyond March 31, 2004. That paragraph states that Columbia's stranded costs were over-funded by \$1.67 million through March 31, 2003, while Attachment 2 to the motion indicates that the over-funding is projected to grow to \$2.22 million through March 2004.

- a. With the over-funding expected to grow by \$500,000 through March of 2004, explain why continuing the program beyond that point will likely cause Columbia to incur substantial stranded costs that it will not be able to recover.
- b. Provide all calculations, workpapers, spreadsheets, etc. that show the amount of additional stranded costs and off-setting revenues Columbia expects to experience from March 31, 2004 through October 31, 2004.

Response:

- a. Columbia's tariffs as revised in Case No. 2002-00117 require a minimum level of storage capacity assignment to marketers. The storage assignments are effective April 1 to Choice marketers. The marketer must accept this assignment to comply with the tariff. It is then the responsibility of the holder of the storage capacity to fill it up. Columbia has concern that the marketers may not accept the assignment of storage capacity if the Choice program is slated to end in October, 2004, even though the assignment is a tariff and contractual requirement of the marketer. Should this occur, continuing the program through October 31, 2004 would result in \$2.3 million in additional stranded costs that Columbia may not be able to recover. On the other hand, if there aren't any problems with the assignment of storage capacity in April 2004, the projected balance of the stranded cost pool at October 31, 2004 would be \$2.2 million. The numbers can fluctuate wildly depending on the circumstances. Columbia is required to absorb any under-funding of the stranded cost pool and this is a significant risk that Columbia is attempting to pro-actively address.

b. Please see attached. The projections assume that marketers accept storage assignment as required by the tariff.

**Columbia Gas of Kentucky
 Projected Stranded Cost and Offsetting Revenues**

	April 2004	May 2004	June 2004	July 2004	August 2004	September 2004	October 2004	Apr. - Oct. 04	Total
CHOICE Stranded Costs:									
Capacity	\$ 531,756	\$ 531,756	\$ 531,756	\$ 531,756	\$ 531,756	\$ 531,756	\$ 726,797	\$ -	\$ 3,917,333
IT Costs	-	-	-	-	-	-	-	-	-
Education Costs	-	-	-	-	-	-	-	-	-
Total Stranded Costs:	\$ 531,756	\$ 531,756	\$ 531,756	\$ 531,756	\$ 531,756	\$ 531,756	\$ 726,797	\$ -	\$ 3,917,333
Revenue Opportunities									
Capacity Assignment	\$ 316,060	\$ 316,060	\$ 316,060	\$ 316,060	\$ 316,060	\$ 316,060	\$ 461,922	\$ -	\$ 2,358,282
Balancing	-	-	-	-	-	-	-	-	-
Off System Sales	\$ 202,500	\$ 202,500	\$ 202,500	\$ 202,500	\$ 202,500	\$ 202,500	\$ 202,500	\$ 1,417,500	\$ 1,417,500
Marketer Contributions	\$ 29,904	\$ 15,405	\$ 8,100	\$ 6,217	\$ 5,646	\$ 6,101	\$ 11,888	\$ 83,261	\$ 83,261
Total Revenue Opportunities:	\$ 548,464	\$ 533,965	\$ 526,660	\$ 524,777	\$ 524,206	\$ 524,661	\$ 676,310	\$ 3,859,043	\$ 3,859,043
Net Stranded Cost:	\$ (16,708)	\$ (2,209)	\$ 5,096	\$ 6,979	\$ 7,550	\$ 7,095	\$ 50,487	\$ 58,290	\$ 58,290

(note neg. = revenue exceeds cost)

	Projected thru March 2004	Apr. - Oct. 04	Total
CHOICE Stranded Costs:			
Capacity	\$ 24,389,002	\$ 3,917,333	\$ 28,306,335
IT Costs	\$ 94,208	\$ -	\$ 94,208
Education Costs	\$ 232,485	\$ -	\$ 232,485
Total Stranded Costs:	\$ 24,715,695	\$ 3,917,333	\$ 28,633,028
Revenue Opportunities			
Capacity Assignment	\$ 15,608,529	\$ 2,358,282	\$ 17,966,811
Balancing	\$ 2,637,822	\$ -	\$ 2,637,822
Off System Sales	\$ 7,632,215	\$ 1,417,500	\$ 9,049,715
Marketer Contributions	\$ 1,052,348	\$ 83,261	\$ 1,135,609
Total Revenue Opportunities:	\$ 26,930,914	\$ 3,859,043	\$ 30,789,957
Net Stranded Cost:	\$ (2,215,219)	\$ 58,290	\$ (2,156,929)

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION STAFF
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Question No. 3

Pages 4 through 6 of the motion to terminate describe how gas storage arrangements impacted Columbia's choice of March 31 as the date it hopes to terminate the Choice Program. This description outlines the issues that Columbia and participating marketers would face in preparing for termination on October 31, 2004, which is presently contemplated under the Commission-approved term of the Choice Program pilot.

- a. The motion's introduction indicates that, in addition to the parties that collaborated with it in developing the pilot program, Columbia also advised each of the marketers participating in the Choice Program pilot of its intent to file the motion to terminate the program. To what extent did Columbia discuss with the marketers its concerns about making storage arrangements for the 2004-2005 winter if the pilot were continued to October 31, 2004?
- b. If Columbia and the marketers participating in the Choice Program could reach an equitable agreement on making the necessary storage arrangements for the 2004-2005 winter, would Columbia still seek approval for an early termination of the pilot Choice Program? Explain the response in detail.

Response:

- a. Columbia advised the marketers that acceptance of storage assignment was a concern. Columbia did not ask the marketers to tell us whether they would abide by the rules of the program. In general, the marketers acknowledged that holding an assignment of storage capacity with the inherent implication that the storage must be filled during the injection season to serve customers that the marketer will no longer have during the storage withdrawal season is something they would prefer to avoid.
- b. Columbia is willing to discuss possible options with all interested parties.

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION STAFF
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Question No. 4

Refer to pages 6 & 7 of Columbia's motion, which discuss its proposal to restore the gas cost incentive mechanism ("GCIM") provisions of its tariffs to what existed prior to the implementation of the pilot Choice Program.

- a. Since the original approval of Columbia's GCIM, the Commission has approved more comprehensive gas procurement incentives for Louisville Gas and Electric Company and Atmos Energy, Inc. To what extent has Columbia considered a more comprehensive incentive approach than what's included in its GCIM?
- b. As the motion states, the sharing ratios in the GCIM were modified as part of the pilot Choice Program. Explain why Columbia believes the sharing ratios should be changed back to their previous levels, which results in a smaller percentage of revenues being credited to customers through Columbia's gas cost adjustment..

Response:

- a. Columbia is interested in exploring a more comprehensive incentive approach. However, evaluations of future alternatives have not been pursued because of the uncertainty of the Choice program and the expectation of guidance from the Commission in the follow-up to the recent management audits on gas procurement.
- b. Columbia and the Collaborative members that supported the initial program design agreed that the original sharing ratios should be maintained. Nonetheless, the Commission changed the original sharing ratios as part of the pilot Choice program. Columbia continues to believe that the original sharing ratios are more reasonable than those eventually approved by the Commission. The additional resources, risk and commitments necessary to seek out transactions that qualify for the incentives are even more difficult today because of Enron and the impacts on the trading market. The number of players is diminished requiring more dedication and exhaustive efforts to search out credit worthy partners.

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COMMISSION

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JUL 24 2003

PUBLIC SERVICE
COMMISSION

CAC Data Request Set 1
Question No.1
Respondent: Stephen B. Seiple

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 1

Please state the name, address, telephone number and position within the company of each person answering each interrogatory below and responsible for producing all documents requested herein.

Response:

The name of the respondent is indicated on each separate response. The respondents to the CAC's data requests are Judy Cooper, Manager of Regulatory Policy, 2001 Mercer Road, Lexington, KY 40511 and Scott Phelps, Director Energy Supply Services, 200 Civic Center Drive, Columbus, Ohio 43215.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 2

Columbia Gas of Kentucky asserts in its motion to terminate the Choice Program that "in the aggregate customers have not saved money and the first goal of the pilot program has not been successfully achieved." The company does acknowledge, however, that "individual customers may have saved money."

- a. Since the inception of the Choice program please provide, for each marketer active in the program, a monthly breakdown of the price offered by that marketer and the price offered during the same period by Columbia Gas of Kentucky.
- b. Please state the basis for the company's assertion that "customers have not saved money." Also, please provide the calculations and produce all documents evidencing the source data that the company used in arriving at this assertion, or which support the company's assertion. In doing so, please disaggregate the calculations and data by marketer.
- c. For each marketer, please provide the aggregate amount of money charged that marketer's customers for gas from the inception of the program through June 30, 2003 and also provide the aggregate amount that would have been charged that marketer's customers by Columbia Gas of Kentucky during the same period.

Response:

- a. Marketer offers in November 2000 were:
Kentucky Natural Gas – 10% discount off Columbia's price.
Stand Energy – \$6.65 per Mcf, variable monthly

Marketer offers in December 2000 were:
Kentucky Natural Gas – 10% discount off Columbia's price.
Stand Energy – \$7.8927 per Mcf, variable monthly
Interstate Gas Supply – 10% discount off Columbia's price
Nicole Energy Services - \$6.55 per Mcf

Marketer offers in January 2001 were:
MX Energy - \$6.999 variable monthly
Interstate Gas Supply – 10% discount off Columbia's price

Please see attached monthly filings to the Commission of marketer offers beginning February 2001. Please see response to IGS Interrogatory No. 4 for Columbia's prices.

- b. The statement that "customers have not saved money" is taken out of context. The complete assertion of Columbia is that, in aggregate, customers have not saved money though individual customers may have saved money. Please see response to PSC 1 (c) evidencing that in aggregate customer savings are negative.
- c. Please see response to PSC 1 (c) for information through March 2003. Information for April and May 2003 is attached in the same format as that in response to PSC 1 (c). Information for June 2003 will be provided when it becomes available.

February 1, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed Discount of 10%
Fixed Discount of 12%

MX Energy – Fixed Discount of 5%
Fixed Discount of 10% enrolled through Kentucky Natural Gas

Stand Energy Corporation and Energy.com are not marketing currently

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

March 1, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed Discount of 10% thru September 2001 billing

MX Energy – Fixed price of \$8.25/Mcf for 12 month term
Fixed price of \$7.99/Mcf for 25 month term

Stand Energy Corporation and Energy.com are not marketing currently

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

April 2, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed Discount of 10% thru September 2001 billing

MX Energy -- Fixed price of \$8.25/Mcf for 12 month term

Stand Energy Corporation and Energy.com are not marketing currently

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

May 2, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$7.65/Mcf for 12 month term

MX Energy – Fixed price of \$8.25/Mcf for 12 month term

Stand Energy Corporation and Energy.com are not marketing currently

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

June 1, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$7.65/Mcf for 12 month term

MX Energy – Fixed price of \$8.25/Mcf for 12 month term

Stand Energy Corporation and Energy.com are not marketing currently

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

July 10, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

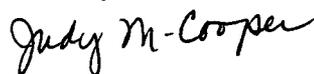
Interstate Gas Supply (IGS) - Fixed price of \$7.65/Mcf for 12 month term

MX Energy – Fixed price of \$8.25/Mcf for 12 month term

Stand Energy Corporation and Energy.com are not marketing currently

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

August 3, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Discount of 10% off Columbia's GCR for 1 year

MX Energy – Fixed price of \$6.99/Mcf for 2 years

Stand Energy Corporation and Energy.com are not marketing currently

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

September 4, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

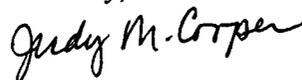
Interstate Gas Supply (IGS) - Fixed price of \$5.99/ Mcf for 1 year

MX Energy – Fixed price of \$6.99/Mcf for 2 years

Stand Energy Corporation and Energy.com are not marketing currently

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

October 1, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being offered by participating marketers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$5.99/ Mcf for 1 year

MX Energy – Fixed price of \$5.99/Mcf for 2 years

Stand Energy Corporation is not marketing currently. Energy.com is no longer a participating marketer. Energy.com sold its customers to MX Energy effective October 2001. The customers retain the contract terms and prices as per their agreements with Energy.com and are receiving a letter of notification with the toll-free phone number for MX Energy should they have any concerns or wish to be removed.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

November 2, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$5.39/ Mcf thru December 2002

MX Energy – Fixed price of \$5.99/Mcf for 2 years

Stand Energy Corporation is not marketing currently.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

December 5, 2001

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program. We have added one marketer this month, the Community Action Council Buyers Club. Copies of the contract terms and conditions and the aggregation agreement will be forthcoming.

Interstate Gas Supply (IGS) - Fixed price of \$5.99/ Mcf thru December 2002

MX Energy - Fixed price of \$5.89/Mcf for 1 or 2 year term

CAC Buyers Club - Variable price \$5.354/ Mcf; no term

Stand Energy Corporation is not marketing currently.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

January 7, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$5.99/ Mcf thru December 2002

MX Energy – Fixed price of \$5.89/Mcf for 1 or 2 year term

CAC Buyers Club - Variable price \$4.85/ Mcf; no term

Stand Energy Corporation is not marketing currently.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

February 1, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$5.99/ Mcf thru December 2002

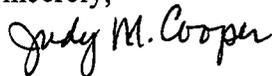
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CAC Buyers Club - Variable price \$4.85/ Mcf; no term

Stand Energy Corporation is not marketing currently.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

March 1, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Fixed price of \$5.99/ Mcf thru December 2002

MX Energy – Fixed price of \$5.39/Mcf for 2 year term

CAC Buyers Club - Variable price \$4.85/ Mcf; no term

Stand Energy Corporation is not marketing currently.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

April 4, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy - Fixed price of \$6.09/Mcf for 1 or 2 year term

CAC Buyers Club - Variable price \$3.62/ Mcf; no term

Stand Energy Corporation is not marketing currently.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

May 2, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy – Fixed price of \$6.09/Mcf for 1 or 2 year term

CAC Buyers Club - Variable price \$3.62/ Mcf; no term

Stand Energy Corporation is no longer participating in the program.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

June 3, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

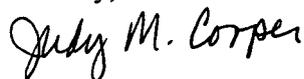
MX Energy – Fixed price of \$6.49/Mcf for 1 or 2 year term

CAC Buyers Club - Variable price \$3.62/ Mcf; no term

Stand Energy Corporation is no longer participating in the program.

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

July 2, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy – Fixed price of \$6.49/Mcf for 1 or 2 year term

CAC Buyers Club - Variable price \$3.62/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

August 1, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy - Fixed price of \$6.49/Mcf for 1 or 2 year term

CAC Buyers Club - Variable price \$3.62/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Becky Phillips

September 3, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy – Fixed price of \$6.49/Mcf for 1 or 2 year term

CAC Buyers Club - Variable price \$3.96/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

October 2, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy -- Fixed price of \$7.49/Mcf for 1 year term

CAC Buyers Club - Variable price \$4.48/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

November 4, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy – Fixed price of \$6.99/Mcf for 2 year term

CAC Buyers Club - Variable price \$4.48/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

December 1, 2002

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy - Fixed price of \$6.99/Mcf for 2 year term

CAC Buyers Club - Variable price \$4.91/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Becky Phillips

January 6, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy – Fixed price of \$6.99/Mcf for 2 year term

CAC Buyers Club - Variable price \$4.99/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

February 3, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy - Fixed price of \$7.49/Mcf for 2 year term

CAC Buyers Club - Variable price \$5.09/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Becky Phillips

March 3, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy - Fixed price of \$8.45/Mcf for 30 months

CAC Buyers Club - Variable price \$7.77/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

April 1, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Currently not enrolling new customers

MX Energy - Fixed price of \$8.45/Mcf for 30 months

CAC Buyers Club - Variable price \$7.47/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Becky Phillips

May 1, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - \$7.89/Mcf fixed price thru March 2004
5% discount off Columbia's price thru March 2004

MX Energy – Fixed price of \$8.98/Mcf thru October 2004

CAC Buyers Club - Variable price \$8.99/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

June 2, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - \$7.89/Mcf fixed price thru March 2004
5% discount off Columbia's price thru March 2004,
subject to acceptance by IGS

MX Energy – Fixed price of \$8.74/Mcf thru October 2004

CAC Buyers Club - Variable price \$8.00/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

July 10, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

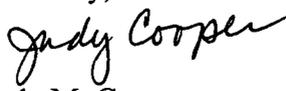
Interstate Gas Supply (IGS) - Not enrolling customers

MX Energy – Fixed price of \$9.99/Mcf thru March 2004

CAC Buyers Club - Variable price \$7.67/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,


Judy M. Cooper

cc: Becky Phillips

April-03

BC			
residential	1,928	(\$2,423)	(\$1.26)
commercial	128	\$8,961	\$70.00
industrial	0	\$0	\$0.00
total	2,056	\$6,537	\$3.18
IGS			
residential	34,233	\$614,761	\$17.96
commercial	4,142	\$384,199	\$92.76
industrial	7	\$3,435	\$490.75
total	38,382	\$1,002,395	\$26.12
MX			
residential	5,107	\$99,792	\$19.54
commercial	555	\$55,473	\$99.95
industrial	1	\$106	\$106.24
total	5,663	\$155,371	\$27.44
Residential Total	41,268	712,129	\$17.26
Commercial Total	4,825	448,633	\$92.98
Industrial Total	8	3,541	\$442.69
GRAND TOTAL for month	46,101	1,164,304	\$25.26

May-03

BC			
residential	2,041	(\$12,325)	(\$6.04)
commercial	134	\$582	\$4.34
industrial	1	\$1	\$0.00
total	2,176	(\$11,742)	(\$5.40)
IGS			
residential	34,081	\$298,056	\$8.75
commercial	4,043	\$180,574	\$44.66
industrial	7	\$2,542	\$363.21
total	38,131	\$481,172	\$12.62
MX			
residential	5,066	\$52,497	\$10.36
commercial	544	\$35,239	\$64.78
industrial	1	\$216	\$216.40
total	5,611	\$87,953	\$15.68
Residential Total	41,188	338,227	\$8.21
Commercial Total	4,721	216,396	\$45.84
Industrial Total	9	2,760	\$306.65
GRAND TOTAL for month	45,918	557,383	\$12.14

SAVINGS NOVEMBER 2000 - MAY 2003

KEY:

MARKETER A - ENERGY.COM
 MARKETER B - INTERSTATE GAS SUPPLY
 MARKETER C - MX ENERGY
 MARKETER D - STAND ENERGY
 MARKETER E - NICOLE ENERGY
 MARKETER F - KENTUCKY NATURAL GAS
 MARKETER G - CAC BUYERS CLUB

TOTAL SAVINGS MARKETER A CUSTOMERS	\$54,026
TOTAL SAVINGS MARKETER B CUSTOMERS	(\$550,226)
TOTAL SAVINGS MARKETER C CUSTOMERS	(\$1,166,657)
TOTAL SAVINGS MARKETER D CUSTOMERS	(\$19,322)
TOTAL SAVINGS MARKETER E CUSTOMERS	(\$2,845)
TOTAL SAVINGS MARKETER F CUSTOMERS	\$36,474
TOTAL SAVINGS MARKETER G CUSTOMERS	(\$39,584)
TOTAL	(\$1,688,134)
Residential	(\$1,922,905)
Commercial	\$188,058
Industrial	\$46,713
Total	(\$1,688,134)

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - CAB
 AVERAGE SAVINGS

CC04000C

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+1,110.10	+1,738	+0.63
	COM	+582.12	+134	+4.34
	IND	+1.01	+1	+1.01
CAK	RES	-13,435.07	+303	-44.34
	COM	+0.00	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	+298,055.52	+34,081	+8.74
	COM	+170,050.98	+4,004	+42.47
	IND	+2,378.36	+4	+594.59
MXK	RES	+52,496.83	+5,066	+10.36
	COM	+33,503.03	+539	+62.15
	IND	+216.40	+1	+216.40
RES GRAND TOTAL %		+338,227.38	+41,188	+8.21
COM GRAND TOTAL %		+204,136.13	+4,677	+43.64
IND GRAND TOTAL %		+2,595.77	+6	+432.62
GRAND TOTAL %		+544,959.28	+45,871	+11.88

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+10,523.11	+39	+269.82
	IND	+164.10	+3	+54.70
MXK	RES	+0.00	+0	+0.00
	COM	+1,736.37	+5	+347.27
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %				
		+0.00	+0	+0.00
COM GRAND TOTAL %				
		+12,259.48	+44	+278.62
IND GRAND TOTAL %				
		+164.10	+3	+54.70
GRAND TOTAL %				
		+12,423.58	+47	+264.33

COLUMBIA GAS OF KENTUCKY, INC.
 GRAND TOTAL CHOICE SAVINGS - GAS
 AVERAGE SAVINGS

CC04000C

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
IGK	RES	+0.00	+0	+0.00
	COM	+61,655.12	+68	+906.69
	IND	+703.65	+3	+234.55
MXK	RES	+0.00	+0	+0.00
	COM	+2,448.23	+4	+612.05
	IND	+0.00	+0	+0.00
RES GRAND TOTAL %		+0.00	+0	+0.00
COM GRAND TOTAL %		+64,103.35	+72	+890.32
IND GRAND TOTAL %		+703.65	+3	+234.55
GRAND TOTAL %		+64,807.00	+75	+864.09

CC04000C

Response to CAC 2(c)
Attachment 2
Page 4 of 4

COLUMBIA GAS OF KENTUCKY, INC.
GRAND TOTAL CHOICE SAVINGS - CAB
AVERAGE SAVINGS

REPORT DATE 04-21-2003

MARKETER BILL CD	REVENUE TYPE	TOTAL DIFFERENCE	TOTAL CUSTOMERS	AVERAGE SAVINGS
BCK	RES	+18,717.90	+1,624	+11.52
	COM	+8,960.51	+128	+70.00
	IND	+0.00	+0	+0.00
CAK	RES	-21,141.48	+304	-69.54
	COM	+0.00	+0	+0.00
	IND	+0.00	+0	+0.00
IGK	RES	+614,760.63	+34,233	+17.95
	COM	+322,544.13	+4,074	+79.17
	IND	+2,731.60	+4	+682.90
MXK	RES	+99,791.89	+5,107	+19.54
	COM	+53,024.97	+551	+96.23
	IND	+106.24	+1	+106.24
RES GRAND TOTAL %		+712,128.94	+41,268	+17.25
COM GRAND TOTAL %		+384,529.61	+4,753	+80.90
IND GRAND TOTAL %		+2,837.84	+5	+567.56
GRAND TOTAL %		+1,099,496.39	+46,026	+23.88

CAC Data Request Set 1
Question No.3
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 3

Do you agree that Community Action Council Buyers Club has undersold Columbia Gas of Kentucky's price in nearly every month since the Buyers Club became a marketer in the Choice program?

Response:

Including July 2003, the Community Action Council Buyers Club has provided natural gas to Columbia customers for 20 months, In 17 of those months, the price of the Buyers Club was below Columbia's price.

CAC Data Request Set 1
Question No.4
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 4

If your answer to question 2 is yes, please state every fact upon which the company has relied for its assertion that it does not "foresee any likelihood that customers will realize significant savings in the immediate future?" If your answer to question 2 is no, please state every fact upon which you relied in answering no to the question and produce all documents upon which you rely for your answer.

Response:

See Columbia's response to PSC data request number 1(c).

CAC Data Request Set 1
Question No.5
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 5

Do you agree that customers of the Community Action Council Buyers Club, Inc. do stand to “realize significant savings in the immediate future?” If the answer is no, please explain.

Response:

No. Columbia has no information about the plans, or future offers, of the Community Action Council Buyers Club that might provide significant savings to Choice customers.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 6

Please explain all facts upon which the company relied, provide the rationale for the statement, and produce all documents which support the statement in the company's motion that "the collection of stranded costs from customers is not a viable long-term alternative that Columbia wishes to pursue."

Response:

The word "stranded cost" alone invokes a negative connotation. However, stranded costs are real, and arise when customers choose alternative suppliers. Columbia has the ultimate responsibility for the provision of natural gas to its customers. It is Columbia's obligation to see that service to core market customers is never compromised. This means seeing that all core customers have the long-term access to capacity to meet peak day requirements. As the provider of last resort, it is Columbia's obligation to obtain that capacity, and this results in costs that must be recovered in some manner. While collection of all stranded costs from ratepayers may be an option, it is not one Columbia considered favorably.

CAC Data Request Set 1
Question No.7
Respondent: Scott D. Phelps

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 7

In Attachment 2 to its motion, Columbia Gas of Kentucky projects a substantial drop in off-system sales (from almost \$7 million to approximately \$800,000). Please list all facts and produce all documents from which those facts were drawn, which support this projection.

Response:

First, please note that the \$6,829,741 figure is for a period from November 2000 to April 2003, or a total of 30 months, while the second column is from May 2003 through March 2004, or a period of only 11 months. This accounts for much of the decrease. Also, note that the \$802,471 was based on what could be considered a conservative estimate driven primarily on knowledge of actual revenue opportunities, without speculation about the potential of unpredictable off system sales opportunities that may or may not occur.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 8

There are similar "choice" programs in other jurisdictions in which Columbia's affiliated companies operate. Did the company undertake any efforts to determine whether there were elements of any of the programs that if incorporated in the Kentucky program would mitigate the factors leading the Company to conclude that the customer choice program should be terminated? If the answer is yes, please state the names and jurisdictions of the programs reviewed, describe the efforts undertaken, and provide the results of any such analysis, which shall include the reasons why any such factors were rejected for inclusion in the Kentucky program. If the answer is no, please provide the reasons the company chose not to undertake any such efforts.

Response:

Columbia is aware of the elements of other programs offered by affiliated distribution companies. Were further detailed studies to be undertaken, it may be that some of the elements of other programs may prove to merit consideration as possible revisions to Columbia's pilot program. However, Columbia has never considered it likely that the Commission would favorably entertain major revisions to the pilot program so such detailed studies have not been undertaken.

CAC Data Request Set 1
Question No.9
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY COMMUNITY ACTION COUNCIL
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Question No. 9

Did Columbia Gas of Kentucky conduct any analysis or research to determine if the customer choice program could be improved? If the answer is yes, please provide the results of such analysis and research, and produce any documents which evidence the results of such analysis and research. If your answer is no, please state the reasons why the company chose not to conduct such analysis and research.

Response:

See Columbia's response to Community Action Council data request number 8.

RECEIVED

JUL 24 2003

PUBLIC SERVICE
COMMISSION

RECEIVED

JUL 24 2003

PUBLIC SERVICE
COMMISSION

IGS Data Request Set 1
Interrogatory No.1
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 1

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please provide responses to the following:

(a) Identify all the Documents that are the organization charts for Your organization.

Identify the Person(s) that have Any decision-making authority concerning the nature, scope, planning, continuation, termination, and/or otherwise of or over the Choice Program.

Response:

Please see attached organization chart.

The persons with decision-making authority are denoted by an asterisk on the attached.

Energy Distribution

<u>Bob Skaggs</u> * President Energy Distribution			
<u>Meg Brown</u> Vice President Field Operations	<u>Dave Montle</u> Vice President Technical Operations	<u>Carol Fox</u> * Vice President Energy Supply Services	<u>Mike Huzar</u> Vice President Sales
<u>Ed Santiry</u> Vice President Human Resources	<u>Gen Tuchow</u> Vice President Communications	<u>Jack Partridge</u> * Vice President External Affairs	<u>Tim Tokish</u> Vice President - Finance
<u>Sharon Booth</u> Executive Administrative Assistant			
<u>Tom Brown</u> Director - Regulatory Policy COH	<u>Larry Martin</u> Director - Regulatory Policy COH	<u>Sam Gerhardtstein</u> Director - Government Policy COH	<u>Joe Kelly</u> * Vice President - CKY
<u>Terry Murphy</u> Vice President - CPA/CMD/CGV	<u>Steve Brant</u> Vice President - BSSGNU	<u>Suzanne K. Surface</u> Director Strategic Initiatives	<u>Judy Cooper</u> Manager - Regulatory Policy CKY

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 2

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please provide responses to the following:

(a) Identify the methodology and/or formula that You use to calculate Your GCR.

If the methodology or formula has changed over time, identify the period or duration each methodology and/or formula referred to in subpart (a), above, was or is in effect.

Response:

The methodology used by Columbia to calculate its GCR, Gas Cost Rate, is made up of two components. The average expected commodity cost of gas supplied and the average expected demand cost. Until September 2001, the average expected commodity cost of gas supplied was calculated based on the expected cost of purchases over a 12-month period. Pursuant to the Commission's Order in Administrative Case No. 384, beginning with the rates effective September 2001 the average expected commodity cost is based on the prices forecasted for the 3-month period that the rates are to be in effect.

IGS Data Request Set 1
Interrogatory No. 3
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 3

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please identify the actual GCR, using units of Mcf (thousand cubic feet), and the period or duration the GCR value provided was or is in effect.

Response:

The GCR or Gas Cost Rate is also referred to as the Expected Gas Cost and is shown on the Attachment to Interrogatory No. 4.

The Gas Cost Adjustment is the sum of the Gas Cost Rate plus all Adjustments.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 4

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please provide responses to the following:

- (a) Identify each and every, and Any and all components, factors, and/or line items that comprise the Burner Tip Cost for each Consumer class or tariff rate or class.
- (b) For each Consumer class or tariff rate or class, using units of Mcf (thousand cubic feet), Identify the actual value of the Burner Tip Cost, and Identify the period or duration that the provided Burner Tip Cost was in effect.

Response:

The Burner Tip Cost is understood to be the total of all Columbia charges to a customer. From January 2000 until September 2001, the Burner Tip Cost to Columbia customers was made up of the base rate charges plus the Gas Cost Adjustment. The Gas Cost Adjustment has two components; gas cost and tracking adjustments. Beginning with September 2001, the tracking adjustments are only applied to a customer's bill if that customer was a Columbia customer in the same billing month the previous year. This change was to insure that the tracking adjustments are only applicable to customers for whom Columbia supplied gas during the true-up period. Please see attached.

Columbia Gas of Kentucky Rate History
 All amounts are per Mcf

Effective Date	Base Rates		Gas Cost Rate				Gas Cost Adjustment			Tracking Mechanisms			Total		
	Schedule GSR and SVGTS Residential	SVGTS Comm/Ind	Commodity	Demand	Total Expected	SAS Refund	Balancing	Supplier Refund	Actual	Total Adjustments	Schedule GSR	Schedule GSO	Schedule GSR	Schedule GSO	Total
April 2001															
First 1 Mcf or less	\$8.10	\$22.00	\$ 6.4223	\$ 1.2837	\$ 7.7060	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$ 16.4519	\$ 30.3519			
All over 1 Mcf			\$ 6.4223	\$ 1.2837	\$ 7.7060	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$ 10.5319	\$ 10.5319			
Next 49		\$	\$ 2.1800	\$ 1.2837	\$ 7.7060	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$	\$			
Next 350		\$	\$ 2.1149	\$ 1.2837	\$ 7.7060	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$	\$			
Next 600		\$	\$ 2.0149	\$ 1.2837	\$ 7.7060	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$	\$			
All over 1000		\$	\$ 1.8409	\$ 1.2837	\$ 7.7060	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$	\$			
May 2001															
First 1 Mcf or less	\$8.10	\$22.00	\$ 6.9360	\$ 1.3583	\$ 8.2943	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$ 17.0402	\$ 30.9402			
All over 1 Mcf			\$ 6.9360	\$ 1.3583	\$ 8.2943	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$ 11.1202	\$ 11.1202			
Next 49		\$	\$ 2.1800	\$ 1.3583	\$ 8.2943	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$	\$			
Next 350		\$	\$ 2.1149	\$ 1.3583	\$ 8.2943	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$	\$			
Next 600		\$	\$ 2.0149	\$ 1.3583	\$ 8.2943	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$	\$			
All over 1000		\$	\$ 1.8409	\$ 1.3583	\$ 8.2943	\$ -	\$ 0.0556	\$ (0.0088)	\$ 0.5991	\$ 0.6459	\$	\$			
June 2001															
First 1 Mcf or less	\$8.10	\$22.00	\$ 6.9223	\$ 1.3573	\$ 8.2796	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$ 17.0298	\$ 30.9298			
All over 1 Mcf			\$ 6.9223	\$ 1.3573	\$ 8.2796	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$ 11.1098	\$ 11.1098			
Next 49		\$	\$ 2.1800	\$ 1.3573	\$ 8.2796	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
Next 350		\$	\$ 2.1149	\$ 1.3573	\$ 8.2796	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
Next 600		\$	\$ 2.0149	\$ 1.3573	\$ 8.2796	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
All over 1000		\$	\$ 1.8409	\$ 1.3573	\$ 8.2796	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
July 2001															
First 1 Mcf or less	\$8.10	\$22.00	\$ 5.8181	\$ 1.3660	\$ 7.1841	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$ 15.9343	\$ 29.8343			
All over 1 Mcf			\$ 5.8181	\$ 1.3660	\$ 7.1841	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$ 10.0143	\$ 10.0143			
Next 49		\$	\$ 2.1800	\$ 1.3660	\$ 7.1841	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
Next 350		\$	\$ 2.1149	\$ 1.3660	\$ 7.1841	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
Next 600		\$	\$ 2.0149	\$ 1.3660	\$ 7.1841	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
All over 1000		\$	\$ 1.8409	\$ 1.3660	\$ 7.1841	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
August 2001															
First 1 Mcf or less	\$8.10	\$22.00	\$ 5.0843	\$ 1.4029	\$ 6.4872	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$ 15.2374	\$ 29.1374			
All over 1 Mcf			\$ 5.0843	\$ 1.4029	\$ 6.4872	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$ 9.3174	\$ 9.3174			
Next 49		\$	\$ 2.1800	\$ 1.4029	\$ 6.4872	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
Next 350		\$	\$ 2.1149	\$ 1.4029	\$ 6.4872	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
Next 600		\$	\$ 2.0149	\$ 1.4029	\$ 6.4872	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			
All over 1000		\$	\$ 1.8409	\$ 1.4029	\$ 6.4872	\$ -	\$ 0.0556	\$ (0.0045)	\$ 0.5991	\$ 0.6502	\$	\$			

Columbia Gas of Kentucky Rate History

All amounts are per Mcf

Effective Date	Base Rates		Gas Cost Rate				Gas Cost Adjustment			Tracking Mechanisms			Total	
	Schedule GSR and SVGTS Residential	Schedule GSO and SVGTS Commlnd	Commodity	Demand	Total Expected	SAS Refund	Balancing	Supplier Refund	Actual	Total Adjustments	Schedule GSR	Schedule GSO	Total	
													Schedule GSR	Schedule GSO
September 2001	\$8.10	\$22.00	\$ 5.0504	\$ 1.3074	\$ 6.3578	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 15.5132	\$29.4132		
First 1 Mcf or less			\$ 5.0504	\$ 1.3074	\$ 6.3578	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 9.5932			
All over 1 Mcf			\$ 5.0504	\$ 1.3074	\$ 6.3578	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 9.5932			
Next 49			\$ 2.1800	\$ 1.3074	\$ 6.3578	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 9.5281			
Next 350			\$ 2.1149	\$ 1.3074	\$ 6.3578	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 9.4281			
Next 600			\$ 2.0149	\$ 1.3074	\$ 6.3578	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 9.2541			
All over 1000			\$ 1.8409	\$ 1.3074	\$ 6.3578	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 8.3195			
December 2001	\$8.10	\$22.00	\$ 3.7167	\$ 1.3674	\$ 5.0841	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 14.2395	\$28.1395		
First 1 Mcf or less			\$ 3.7167	\$ 1.3674	\$ 5.0841	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 8.3195			
All over 1 Mcf			\$ 3.7167	\$ 1.3674	\$ 5.0841	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 8.3195			
Next 49			\$ 2.1800	\$ 1.3674	\$ 5.0841	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 8.2544			
Next 350			\$ 2.1149	\$ 1.3674	\$ 5.0841	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 8.1544			
Next 600			\$ 2.0149	\$ 1.3674	\$ 5.0841	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 7.9804			
All over 1000			\$ 1.8409	\$ 1.3674	\$ 5.0841	\$ (0.0001)	\$ (0.0005)	\$ (0.0116)	\$ 1.0676	\$ 1.0554	\$ 7.2842			
March 2002	\$8.10	\$22.00	\$ 2.9495	\$ 1.3087	\$ 4.2582	\$ (0.0001)	\$ 0.1292	\$ (0.0116)	\$ 1.0676	\$ 1.1851	\$ 13.5433	\$27.4433		
First 1 Mcf or less			\$ 2.9495	\$ 1.3087	\$ 4.2582	\$ (0.0001)	\$ 0.1292	\$ (0.0116)	\$ 1.0676	\$ 1.1851	\$ 7.6233			
All over 1 Mcf			\$ 2.9495	\$ 1.3087	\$ 4.2582	\$ (0.0001)	\$ 0.1292	\$ (0.0116)	\$ 1.0676	\$ 1.1851	\$ 7.6233			
Next 49			\$ 2.1800	\$ 1.3087	\$ 4.2582	\$ (0.0001)	\$ 0.1292	\$ (0.0116)	\$ 1.0676	\$ 1.1851	\$ 7.5582			
Next 350			\$ 2.1149	\$ 1.3087	\$ 4.2582	\$ (0.0001)	\$ 0.1292	\$ (0.0116)	\$ 1.0676	\$ 1.1851	\$ 7.4582			
Next 600			\$ 2.0149	\$ 1.3087	\$ 4.2582	\$ (0.0001)	\$ 0.1292	\$ (0.0116)	\$ 1.0676	\$ 1.1851	\$ 7.2842			
All over 1000			\$ 1.8409	\$ 1.3087	\$ 4.2582	\$ (0.0001)	\$ 0.1292	\$ (0.0116)	\$ 1.0676	\$ 1.1851	\$ 6.2153			
June 2002	\$8.10	\$22.00	\$ 3.5609	\$ 1.2886	\$ 4.8495	\$ (0.0001)	\$ 0.1292	\$ (0.0109)	\$ 1.0676	\$ 1.1858	\$ 14.1353	\$28.0353		
First 1 Mcf or less			\$ 3.5609	\$ 1.2886	\$ 4.8495	\$ (0.0001)	\$ 0.1292	\$ (0.0109)	\$ 1.0676	\$ 1.1858	\$ 8.2153			
All over 1 Mcf			\$ 3.5609	\$ 1.2886	\$ 4.8495	\$ (0.0001)	\$ 0.1292	\$ (0.0109)	\$ 1.0676	\$ 1.1858	\$ 8.2153			
Next 49			\$ 2.1800	\$ 1.2886	\$ 4.8495	\$ (0.0001)	\$ 0.1292	\$ (0.0109)	\$ 1.0676	\$ 1.1858	\$ 8.1502			
Next 350			\$ 2.1149	\$ 1.2886	\$ 4.8495	\$ (0.0001)	\$ 0.1292	\$ (0.0109)	\$ 1.0676	\$ 1.1858	\$ 8.0502			
Next 600			\$ 2.0149	\$ 1.2886	\$ 4.8495	\$ (0.0001)	\$ 0.1292	\$ (0.0109)	\$ 1.0676	\$ 1.1858	\$ 7.8762			
All over 1000			\$ 1.8409	\$ 1.2886	\$ 4.8495	\$ (0.0001)	\$ 0.1292	\$ (0.0109)	\$ 1.0676	\$ 1.1858	\$ 6.9616			
September 2002	\$8.10	\$22.00	\$ 3.2387	\$ 1.2876	\$ 4.5263	\$ (0.0007)	\$ (0.0003)	\$ (0.0007)	\$ 0.2570	\$ 0.2553	\$ 12.8816	\$26.7816		
First 1 Mcf or less			\$ 3.2387	\$ 1.2876	\$ 4.5263	\$ (0.0007)	\$ (0.0003)	\$ (0.0007)	\$ 0.2570	\$ 0.2553	\$ 6.9616			
All over 1 Mcf			\$ 3.2387	\$ 1.2876	\$ 4.5263	\$ (0.0007)	\$ (0.0003)	\$ (0.0007)	\$ 0.2570	\$ 0.2553	\$ 6.9616			
Next 49			\$ 2.1800	\$ 1.2876	\$ 4.5263	\$ (0.0007)	\$ (0.0003)	\$ (0.0007)	\$ 0.2570	\$ 0.2553	\$ 6.8965			
Next 350			\$ 2.1149	\$ 1.2876	\$ 4.5263	\$ (0.0007)	\$ (0.0003)	\$ (0.0007)	\$ 0.2570	\$ 0.2553	\$ 6.7965			
Next 600			\$ 2.0149	\$ 1.2876	\$ 4.5263	\$ (0.0007)	\$ (0.0003)	\$ (0.0007)	\$ 0.2570	\$ 0.2553	\$ 6.6225			
All over 1000			\$ 1.8409	\$ 1.2876	\$ 4.5263	\$ (0.0007)	\$ (0.0003)	\$ (0.0007)	\$ 0.2570	\$ 0.2553	\$ 6.6225			

Columbia Gas of Kentucky Rate History
 All amounts are per Mcf

Effective Date	Base Rates		Gas Cost Rate		Gas Cost Adjustment		Tracking Mechanisms		Total			
	Schedule GSR and SVGTS Residential	Schedule GSO and SVGTS Comm/Ind	Commodity	Demand	Total Expected	SAS Refund	Balancing	Supplier Refund	Actual	Total Adjustments	Schedule GSR	Schedule GSO
December 2002												
First 1 Mcf or less	\$8.10	\$22.00	\$ 4.1297	\$ 1.3270	\$ 5.4567	\$ (0.0007)	\$ (0.0003)	\$ (0.0047)	\$ 0.2570	\$ 0.2513	\$ 13.8080	\$ 27.7080
All over 1 Mcf			\$ 4.1297	\$ 1.3270	\$ 5.4567	\$ (0.0007)	\$ (0.0003)	\$ (0.0047)	\$ 0.2570	\$ 0.2513	\$ 7.8880	
Next 49	\$	\$	\$ 4.1297	\$ 1.3270	\$ 5.4567	\$ (0.0007)	\$ (0.0003)	\$ (0.0047)	\$ 0.2570	\$ 0.2513	\$	\$ 7.8880
Next 350	\$	\$	\$ 2.1149	\$ 1.3270	\$ 5.4567	\$ (0.0007)	\$ (0.0003)	\$ (0.0047)	\$ 0.2570	\$ 0.2513	\$	\$ 7.8229
Next 600	\$	\$	\$ 2.0149	\$ 1.3270	\$ 5.4567	\$ (0.0007)	\$ (0.0003)	\$ (0.0047)	\$ 0.2570	\$ 0.2513	\$	\$ 7.7229
All over 1000	\$	\$	\$ 1.8409	\$ 1.3270	\$ 5.4567	\$ (0.0007)	\$ (0.0003)	\$ (0.0047)	\$ 0.2570	\$ 0.2513	\$	\$ 7.5489
March 2003												
First 1 Mcf or less	\$6.95	\$18.88	\$ 5.8930	\$ 1.2882	\$ 7.1812	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$ 14.5159	\$ 26.4459
All over 1 Mcf			\$ 5.8930	\$ 1.2882	\$ 7.1812	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$ 9.4374	
Next 49	\$	\$	\$ 1.8715	\$ 1.2882	\$ 7.1812	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$	\$ 9.4374
Next 350	\$	\$	\$ 1.8153	\$ 1.2882	\$ 7.1812	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$	\$ 9.3812
Next 600	\$	\$	\$ 1.7296	\$ 1.2882	\$ 7.1812	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$	\$ 9.2955
All over 1000	\$	\$	\$ 1.5804	\$ 1.2882	\$ 7.1812	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$	\$ 9.1463
March 27, 2003												
First 1 Mcf or less	\$6.95	\$18.88	\$ 7.8789	\$ 1.2882	\$ 9.1671	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$ 16.5018	\$ 28.4318
All over 1 Mcf			\$ 7.8789	\$ 1.2882	\$ 9.1671	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$ 11.4233	
Next 49	\$	\$	\$ 1.8715	\$ 1.2882	\$ 9.1671	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$	\$ 11.4233
Next 350	\$	\$	\$ 1.8153	\$ 1.2882	\$ 9.1671	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$	\$ 11.3671
Next 600	\$	\$	\$ 1.7296	\$ 1.2882	\$ 9.1671	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$	\$ 11.2814
All over 1000	\$	\$	\$ 1.5804	\$ 1.2882	\$ 9.1671	\$ (0.0007)	\$ 0.1343	\$ (0.0059)	\$ 0.2570	\$ 0.3847	\$	\$ 11.1322
June 2003												
First 1 Mcf or less	\$6.95	\$18.88	\$ 6.4318	\$ 1.2914	\$ 7.7232	\$ (0.0007)	\$ 0.1343	\$ (0.0071)	\$ 0.2570	\$ 0.3835	\$ 15.0567	\$ 26.9867
All over 1 Mcf			\$ 6.4318	\$ 1.2914	\$ 7.7232	\$ (0.0007)	\$ 0.1343	\$ (0.0071)	\$ 0.2570	\$ 0.3835	\$ 9.9782	
Next 49	\$	\$	\$ 1.8715	\$ 1.2914	\$ 7.7232	\$ (0.0007)	\$ 0.1343	\$ (0.0071)	\$ 0.2570	\$ 0.3835	\$	\$ 9.9782
Next 350	\$	\$	\$ 1.8153	\$ 1.2914	\$ 7.7232	\$ (0.0007)	\$ 0.1343	\$ (0.0071)	\$ 0.2570	\$ 0.3835	\$	\$ 9.9220
Next 600	\$	\$	\$ 1.7296	\$ 1.2914	\$ 7.7232	\$ (0.0007)	\$ 0.1343	\$ (0.0071)	\$ 0.2570	\$ 0.3835	\$	\$ 9.8363
All over 1000	\$	\$	\$ 1.5804	\$ 1.2914	\$ 7.7232	\$ (0.0007)	\$ 0.1343	\$ (0.0071)	\$ 0.2570	\$ 0.3835	\$	\$ 9.6871

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Interrogatory No. 5

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please provide responses to the following:

- (a) Identify each and every, and Any and all components, factors, and/or line items that comprise Choice Base Rate for each Consumer class or tariff rate or class.
- (b) Using units of Mcf (thousand cubic feet), Identify the actual value of the Choice Base Rate for each Consumer class or tariff rate or class, and Identify the period or duration that the provided Choice Base Rate was in effect.

Response:

The Choice Base Rates are shown on the Attachment to IGS Interrogatory No. 4. In addition to the Base Rates, a customer who was a Columbia customer in the same billing month the previous year is billed the tracking adjustments of Columbia's Gas Cost Adjustment as described in Interrogatory No. 4.

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Interrogatory No. 6

Referring to pages 1 and 2 of Columbia's Motion where Columbia indicates that Columbia had consultations with each "Collaborative" member that helped develop the pilot program and marketers participating in the Choice Program (the "consultations"), please provide responses to the following:

- (a) Identify each (1) "Collaborative" member, (2) marketer, and (3) Person(s) other than a "Collaborative" member or marketer, that Columbia consulted with.
- (b) For each Person Identified in subpart (a) above, Identify all Person(s) who are or were representatives of Columbia that had Communications or Correspondences concerning or that participated (whether oral, written, or otherwise) in the consultations.
- (c) For each "Collaborative" Person identified in subpart (a) above, Identify all Person(s) who are or were representatives of the same identified in subpart (a) above that had Communications or Correspondences concerning or that participated (whether oral, written, or otherwise) in the consultations with Columbia.
- (d) For each "Collaborative" Person identified in subpart (a) above, Identify: (1) the dates of the consultations; (2) the location of the Identified Person(s), when each of the consultations was made, and (3) the specific subject matter of each of the consultations.
- (e) Identify all Documents and Documentation used, shared, exchanged, referred to, prepared for or received during consultations associated with each "Collaborative" member, marketer, and Person(s) identified in sub-part (a).

Response:

Columbia began exploring the thought of an early termination with collaborative members and marketers late in 2002 and continuing until near the date of filing its Motion on June 6, 2003.

Columbia representative Judy M. Cooper communicated with the Office of the Attorney General, Hon. Ann Louise Chevront; the Lexington Fayette Urban County Government, Hon. David Barberie and Mr. Robert Starkweather; the Community Action Council of Fayette, Bourbon, Harrison and Nicholas Counties, Mr. Jack Burch; MX Energy Services, Ms. Robi Artman-Hodge and Mr. Emmett Capana. These discussions were by phone and in person. Columbia representative Heather Bauer communicated with Interstate Gas Supply, Mr. Scott White. The subject matter of all discussions was the possibility of termination at the start/end contractual period for storage capacity rather than during mid-year of the storage contract period. Copies of the actual Motion to Terminate were mailed to each of the above named parties in conjunction with Columbia's filing at the Commission.

IGS Data Request Set 1
Interrogatory No. 7
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 7

Referring to page 3 of Columbia's Motion, please Identify what Communications and/or Correspondence/Documents Columbia engaged in or provided Persons in support of Columbia's statement that Columbia "advised all those parties of Columbia's intent to file this motion."

Response:

Please see response to previous Interrogatory No. 6.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 8

Columbia provided, without priority, to the Commission six goals for the Choice Program (*see, e.g.,* the Commission's January 27, 2000, Order in Case No. 1999-00165, at pg. 3), and with reference to the foregoing, please provide responses to the following:

(a) Please Identify and explain why Columbia believes that the "primary" goal of the pilot program is to provide customers with the "opportunity" to save money, as Columbia has indicated on page 3 of Columbia's Motion.

Please Identify and explain, in light of the unpredictability of future natural gas commodity costs, why is it that Columbia believes that in comparison to Columbia's periodically varying GCR cost, a long-term fixed commodity rate provided by a supplier does not provide consumers with an "opportunity" to save money.

Response:

Columbia believes the primary reason that customers participate in the Choice program is for the opportunity to save money. The market solicitations largely promote this idea to customers as well by comparing marketer offers to Columbia's gas cost. By design, natural gas is the same commodity no matter the provider. To the end-use customer, there are no variations in quality, color or smell. Price is the distinguishing characteristic.

As the use of natural gas is for basic needs, a "utility service", the thought that customers have paid more than a regulated price is difficult to swallow. The Commission place on Columbia the oversight role of marketers in this program. That marketers should not be regulated was also a primary goal of the program and one that Columbia advocated in the initial application for the program. Maybe it is just an old-fashioned attitude, but Columbia feels a sense of responsibility to its customers and to the Commission and to foster a program that overall does not provide customer savings seems like a violation of trust.

The Commission, Kentucky Attorney General, Cabinet for Families and Children and Department of Energy along with the local distribution companies in Kentucky work hard to

educate customers about the variability in gas costs. There are so many factors that affect future prices that only history can show whether a one or two year fixed price actually saves a customer money over time.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 9

With reference to page 3 of Columbia's Motion and referring to page 3 of Columbia's third (June 2, 2003) Customer Choice Program Annual Report to the Commission in which Columbia asserts that "Choice customers have now paid a total of \$3,409,821 more in gas costs than they would have had they been a sales customer of Columbia. This is a grand total from the beginning of the program through March 2003," please provide responses to the following:

- (a) Identify the formula and/or methodology that Columbia utilized to calculate the total amount of \$3,409,821 (the excess in costs relative to Columbia's traditional sales gas costs that, Columbia asserts, Consumers have paid from the beginning of the Choice Program through March 2003).
- (b) Identify the inputs and/or determinants that Columbia applied to the formula and/or methodology referred to in subpart (a) above.
- (c) Identify the Documents wherein Columbia calculated and derived the \$3,409,821 amount.
- (d) Using the formula and/or methodology referred to in subpart (a) herein, Identify the savings and/or cost comparison between Columbia's sales gas costs and the gas costs of suppliers, through June 2003, and Documents evidencing the same.

Response:

Please see Columbia's response to PSC data request number 1-1 and response to CAC data request 2 (c).

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Interrogatory No. 10

Referring to page 13 of Columbia's third (June 2, 2003) Customer Choice Program Annual Report to the Commission, wherein Columbia asserts that to date (June 2, 2003), the Choice Program has resulted in \$17,943,767.00 in Total transition costs, consisting of \$17,617,074.00 in Transition Capacity Costs, \$94,204.00 in Information Technology Costs, and \$232,485.00 in Education Costs, please provide responses to the following:

- (a) By "to date," with regards to Columbia's above-mentioned calculations, is Columbia referring to costs from the beginning of the Choice Program through June 2, 2003. If not, please identify the exact date range that Columbia is referring to.
- (b) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$17,617,074.00 in Transition Capacity Costs, (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (c) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$94,204.00 in Information Technology Costs, (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (d) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$232,485.00 in Education Costs, (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.

Response:

- (a) "To date" means the period from November 1, 2000 through April 30, 2003.
- (b) Attachment I is a worksheet setting forth Columbia's calculation, derivation and tracking of the \$17,617,074 in Transition Capacity Costs. The \$17,617,074 is shown on page 6 of Attachment I. Please see the last column: Apr-03, line 580: Cumulative Cost of Capacity Stranded. The column with the heading "Comment" shows how numbers in the worksheet are calculated. Attachment II is a summary of the steps involved in the calculations. The person responsible for calculating, deriving and tracking the transition capacity costs is David Mandelbaum. The person responsible for verifying and overseeing the accuracy of the transition capacity costs is Fred Connell.
- (c) The information technology costs are the actual charges incurred for the programming required by the Choice program. These costs are calculated by Information Technology and tracked and verified by Columbia's accounting department. Please see the Attachment to Interrogatory No. 11 for the costs by month.
- (d) The education costs are the actual charges incurred for customer education materials for the Choice program. The costs are direct charges which are tracked and verified by Columbia's accounting department. Please see the Attachment to Interrogatory No. 11 for the costs by month.

Columbia Gas of Kentucky
Choice Program
Calculation of Monthly Stranded Capacity and Costs

	Units	Comment	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct 01
35	Citygate capacity excl. (1) terminated contracts and (2) local and CNR													
40	TCO FT	= in. 80	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566
45	Tenn Mavity	= in. 85 - 215	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
50	Local direct	= 0	0	0	0	0	0	0	0	0	0	0	0	0
55	CNR	= 0	0	0	0	0	0	0	0	0	0	0	0	0
60	TCO FSS MDSQ / SST	= in. 100	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880
65	Cove Point	= in. 105 - 220	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Total	= sum: (235 : 260)	238,446	238,446	238,446	238,446	238,446	235,946	233,446	233,446	233,446	233,446	233,446	233,446
70	Mix of citygate capacity excluding terminated contracts, local, and CNR.													
75	TCO FT	In. 235 / 265	17.4%	17.4%	17.4%	17.4%	17.4%	17.6%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%
80	Tenn Mavity	In. 240 / 265	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
85	Local direct		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
90	CNR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
95	TCO FSS MDSQ / SST	In. 255 / 265	80.1%	80.1%	80.1%	80.1%	80.1%	80.9%	81.8%	81.8%	81.8%	81.8%	81.8%	81.8%
00	Cove Point	In. 260 / 265	2.1%	2.1%	2.1%	2.1%	2.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
05	Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
10	Net Stranded City-Gate Cap. (after terminations)	In. 60	30,157	25,515	23,132	25,515	48,952	63,763	65,761	73,514	73,676	73,209	72,724	75,895
20	TCO FT	In. 310 x In. 275	0	4,032	97	4,448	8,533	11,233	11,709	13,089	13,118	13,035	12,949	13,513
30	Tenn Mavity	In. 310 x In. 280	0	126	0	107	205	270	282	315	316	314	312	312
40	Local direct=0 per 1/27/00 KPSC Order	In. 310 x In. 285	0	0	0	0	0	0	0	0	0	0	0	0
50	CNR = 0 per 1/27/00 KPSC Order	In. 310 x In. 290	0	0	0	0	0	0	0	0	0	0	0	0
60	TCO FSS MDSQ	In. 310 x In. 295	0	24,141	18,518	20,425	39,187	51,584	53,770	60,110	60,242	59,860	59,464	62,056
80	Cove Point	In. 310 x In. 300	0	532	485	535	1,026	676	676	676	676	676	676	676
90	Total		0	30,157	23,132	25,515	48,952	63,763	65,761	73,514	73,676	73,209	72,724	75,895
00	Stranded Storage and Storage Transportation	In. 360 x 50.073 days of storage	0	1,208,822	927,230	1,022,751	1,962,207	2,582,977	2,692,442	3,009,872	3,016,505	2,997,384	2,977,527	3,107,357
10	TCO FSS SCQ	In. 360 (50% in summer)	0	24,141	18,518	20,425	39,187	25,792	26,885	30,055	30,121	29,930	29,732	62,056
20	Demand Rates													
30	TCO FT	\$/Dth	\$ 6,4010	\$ 6,4310	\$ 6,2500	\$ 6,2860	\$ 6,2860	\$ 6,2870	\$ 6,2870	\$ 6,2870	\$ 6,2870	\$ 6,2870	\$ 6,2870	\$ 6,2870
40	Tenn Mavity	\$/Dth	\$ 8,3200	\$ 8,3200	\$ 8,1800	\$ 8,1800	\$ 8,1800	\$ 8,1800	\$ 8,1800	\$ 8,1800	\$ 8,1800	\$ 8,1700	\$ 8,1700	\$ 8,1700
50	TCO FSS MDSQ	\$/Dth	\$ 1,5240	\$ 1,5240	\$ 1,5240	\$ 1,5360	\$ 1,5360	\$ 1,5360	\$ 1,5360	\$ 1,5360	\$ 1,5360	\$ 1,5360	\$ 1,5360	\$ 1,5360
60	Cove Point	\$/Dth	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883
70	TCO FSS SCQ	\$/Dth	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293	\$ 0,0293
80	TCO SST	\$/Dth	\$ 6,0290	\$ 6,0590	\$ 6,0230	\$ 6,0580	\$ 6,0580	\$ 6,0590	\$ 6,0590	\$ 6,0590	\$ 6,0590	\$ 6,0590	\$ 6,0590	\$ 6,0590
90	Cost of Net City-Gate Stranded Capacity		\$ -	\$ 33,808	\$ 25,202	\$ 27,959	\$ 53,641	\$ 70,622	\$ 73,615	\$ 82,293	\$ 82,475	\$ 81,952	\$ 81,409	\$ 84,959
100	TCO FT	In. 320 x In. 420	-	1,052	794	875	1,679	2,211	2,304	2,576	2,582	2,562	2,545	2,656
110	Tenn Mavity	In. 330 x In. 430	-	-	-	-	-	-	-	-	-	-	-	-
120	Local Direct		-	-	-	-	-	-	-	-	-	-	-	-
130	CNR		-	36,791	28,221	31,373	60,191	79,233	82,591	92,328	92,532	91,945	91,336	95,319
140	TCO FSS MDSQ	In. 360 x In. 440	-	2,143	1,644	1,813	3,478	2,289	2,289	2,289	2,289	2,289	2,289	2,289
150	Cove Point	In. 360 x In. 460	-	35,418	27,168	30,171	57,885	76,198	79,427	88,791	88,987	88,423	87,837	91,667
160	TCO SCQ	In. 320 x In. 420	-	146,271	111,531	123,736	237,394	156,274	162,897	182,102	182,503	181,347	180,145	180,145
170	TCO SST (50% in summer)	In. 370 x In. 450	-	\$ 255,484	\$ 194,559	\$ 215,927	\$ 414,268	\$ 386,827	\$ 400,834	\$ 448,091	\$ 449,079	\$ 446,229	\$ 443,273	\$ 443,273
180	Cost of Net City-Gate Stranded Capacity	In. 480 through In. 550	\$ -	\$ 280,609	\$ 213,832	\$ 237,185	\$ 455,052	\$ 439,950	\$ 455,622	\$ 509,339	\$ 510,461	\$ 507,222	\$ 503,862	\$ 513,832
190	TOTAL: CITY-GATE PLUS UPSTREAM		\$ -	\$ 280,609	\$ 213,832	\$ 237,185	\$ 455,052	\$ 439,950	\$ 455,622	\$ 509,339	\$ 510,461	\$ 507,222	\$ 503,862	\$ 513,832
200	Capacity Stranded	In. 200 + in. 560	\$ -	\$ 280,609	\$ 213,832	\$ 237,185	\$ 455,052	\$ 439,950	\$ 455,622	\$ 509,339	\$ 510,461	\$ 507,222	\$ 503,862	\$ 513,832
210	Cumulative Cost of Capacity Stranded		\$ -	\$ 280,609	\$ 494,440	\$ 731,625	\$ 1,186,677	\$ 1,626,627	\$ 2,082,250	\$ 2,591,589	\$ 3,102,050	\$ 3,609,272	\$ 4,113,135	\$ 4,826,967

/ Based on peak day forecast for applicable period.
 / Demand curves from Financial Planning.
 / No capacity is stranded due to Choice if the peak day volume of Choice customers is less than the sales plus Choice capacity shortfall. The shortfall is used, to the extent possible to avoid stranded costs. This means that no capacity is stranded until the peak day volume of the Choice customers exceeds the capacity shortfall.

Columbia Gas of Kentucky
Choice Program
Calculation of Monthly Stranded Capacity and Costs

		Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	
35	Citygate capacity excl. (1) terminated contracts and (2) local and CNR											
40	TCO FT	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566	41,566
45	Tenn Mavity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
50	Local direct	0	0	0	0	0	0	0	0	0	0	0
55	CNR	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880	190,880
60	TCO FSS MDSQ / SST	0	0	0	0	0	0	0	0	0	0	0
65	Cove Point	233,446	233,446	233,446	233,446	233,446	233,446	233,446	233,446	233,446	233,446	233,446
70	Total	415,666	415,666	415,666	415,666	415,666	415,666	415,666	415,666	415,666	415,666	415,666
75	Mix of citygate capacity excluding terminated contracts, local, and CNR.											
80	TCO FT	17.9%	17.8%	17.8%	17.8%	17.8%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
85	Tenn Mavity	0.4%	0.4%	0.4%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
90	Local direct	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
95	CNR	81.8%	81.8%	81.8%	81.8%	81.8%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%
00	TCO FSS MDSQ / SST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
05	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
10	Net Stranded City-Gate Cap. (after terminations)											
20	TCO FT	81,588	90,494	92,591	92,509	90,789	88,909	88,529	87,731	87,089	86,439	85,553
30	Tenn Mavity	14,527	16,113	16,486	16,472	16,165	15,899	15,831	15,688	15,573	15,457	15,299
40	Local direct=0 per 1/27/00 KPSC Order	349	388	397	396	389	0	0	0	0	0	0
50	CNR = 0 per 1/27/00 KPSC Order	0	0	0	0	0	0	0	0	0	0	0
60	TCO FSS MDSQ	66,711	73,994	75,708	75,641	74,235	73,010	72,698	72,043	71,516	70,982	70,254
80	Cove Point	81,588	90,494	92,591	92,509	90,789	88,909	88,529	87,731	87,089	86,439	85,553
90	Total	3,340,444	3,705,081	3,790,938	3,787,581	3,717,159	3,655,847	3,640,222	3,607,409	3,581,011	3,554,283	3,517,852
00	Stranded Storage and Storage Transportation											
10	TCO FSS SCQ	66,711	73,994	75,708	75,641	74,235	73,010	72,698	72,043	71,516	70,982	70,254
	TCO SST (if summer, 50% * 360, else 360											
120	Demand Rates											
130	TCO FT	\$ 6,3230	\$ 6,3230	\$ 6,2560	\$ 6,3020	\$ 6,3020	\$ 6,3000	\$ 6,3000	\$ 6,3000	\$ 6,3000	\$ 6,3000	\$ 6,3000
140	Tenn Mavity	\$ 8,1700	\$ 8,1700	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900
160	TCO FSS MDSQ	\$ 1,5360	\$ 1,5360	\$ 1,5110	\$ 1,5110	\$ 1,5110	\$ 1,5110	\$ 1,5110	\$ 1,5110	\$ 1,5110	\$ 1,5110	\$ 1,5110
170	Cove Point	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883
180	TCO FSS SCQ	\$ 0,0295	\$ 0,0295	\$ 0,0295	\$ 0,0291	\$ 0,0291	\$ 0,0291	\$ 0,0291	\$ 0,0291	\$ 0,0291	\$ 0,0291	\$ 0,0291
190	TCO SST	\$ 6,0950	\$ 6,0950	\$ 6,0440	\$ 6,0900	\$ 6,0900	\$ 6,0880	\$ 6,0880	\$ 6,0880	\$ 6,0880	\$ 6,0880	\$ 6,0880
200	Cost of Net City-Gate Stranded Capacity	\$ 91,855	\$ 101,881	\$ 103,171	\$ 103,804	\$ 101,874	\$ 100,162	\$ 99,734	\$ 98,835	\$ 98,112	\$ 97,379	\$ 96,381
300	Local Direct	2,855	3,167	3,248	3,245	3,185						
320	CNR	102,469	113,654	116,288	114,294	112,169	110,319	109,847	108,857	108,060	107,254	106,154
350	TCO FSS MDSQ	98,543	109,300	111,833	110,219	108,169	106,385	105,930	104,976	104,207	103,430	102,369
380	Cove Point	406,606	450,991	457,580	460,654	452,090	442,243	431,293	421,299	411,694	402,430	393,854
410	TCO SCQ	\$ 702,328	\$ 778,993	\$ 792,120	\$ 792,216	\$ 777,487	\$ 777,487	\$ 777,487	\$ 777,487	\$ 777,487	\$ 777,487	\$ 777,487
440	TCO SST (50% in summer)											
470	Cost of Net City-Gate Stranded Capacity	\$ 770,303	\$ 854,387	\$ 869,290	\$ 869,290	\$ 853,127	\$ 853,127	\$ 853,127	\$ 853,127	\$ 853,127	\$ 853,127	\$ 853,127
500	TOTAL: CITY-GATE PLUS UPSTREAM	5,597,269	6,451,657	7,320,918	8,190,208	9,043,335	9,656,517	10,267,079	10,872,138	11,472,769	12,068,916	12,656,954
530	Capacity Stranded											
560	Cumulative Cost of Capacity Stranded											

1/ Based on peak day forecast for applicable period.
 2/ Demand curves from Financial Planning.
 3/ No capacity is stranded due to Choice if the peak day volume of Choice customers is less than the sales plus Choice capacity shortfall. The shortfall is used, to the extent possible to avoid stranded costs. This means that no capacity is stranded until the peak day volume of the Choice customers exceeds the capacity shortfall.

Columbia Gas of Kentucky, Inc.
Choice Program
Calculation of Monthly Stranded Capacity and Costs

Units
Citygate capacity excl. (1) terminated contracts and (2) local and CNR

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
TCO FT	41,566	41,566	41,566	41,566	41,566	41,566	41,566
Tenn Mavity	0	0	0	0	0	0	0
Local direct	0	0	0	0	0	0	0
CNR	0	0	0	0	0	0	0
TCO FSS MDSQ / SST	190,880	190,880	190,880	190,880	190,880	190,880	190,880
Cove Point	0	0	0	0	0	0	0
Total	232,446	232,446	232,446	232,446	232,446	232,446	232,446

Mix of citygate capacity excluding terminated contracts, local, and CNR.

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
TCO FT	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
Tenn Mavity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Local direct	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CNR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TCO FSS MDSQ / SST	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%
Cove Point	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Net Stranded City-Gate Cap. (after terminations)

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
TCO FT	84,533	81,382	79,867	77,902	75,868	76,172	75,781
Tenn Mavity	15,116	14,553	14,282	13,930	13,567	13,621	13,551
Local direct=0 per 1/27/00 KPSC Order	0	0	0	0	0	0	0
CNR = 0 per 1/27/00 KPSC Order	0	0	0	0	0	0	0
TCO FSS MDSQ	69,417	66,829	65,585	63,972	62,301	62,551	62,230
Cove Point	0	0	0	0	0	0	0
Total	84,533	81,382	79,867	77,902	75,868	76,172	75,781

Stranded Storage and Storage Transportation

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
TCO FSS SCQ	3,475,911	3,346,345	3,284,049	3,203,251	3,119,615	3,132,115	3,116,037
TCO SST (if summer, 50% • 360, else 360	69,417	66,829	65,585	63,972	62,301	62,551	62,230

Demand Rates

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
TCO FT	\$ 6,3000	\$ 6,3510	\$ 6,3510	\$ 6,2910	\$ 6,2560	\$ 6,2560	\$ 6,2850
Tenn Mavity	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900	\$ 8,1900
Local direct	\$ 1,5110	\$ 1,5110	\$ 1,5110	\$ 1,5110	\$ 1,5080	\$ 1,5080	\$ 1,5080
CNR	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883	\$ 3,3883
TCO FSS SCQ	\$ 0,0291	\$ 0,0291	\$ 0,0291	\$ 0,0291	\$ 0,0290	\$ 0,0290	\$ 0,0290
TCO SST	\$ 6,0880	\$ 6,1390	\$ 6,1390	\$ 6,0890	\$ 6,0540	\$ 6,0540	\$ 6,0830

Cost of Net City-Gate Stranded Capacity

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
TCO FT	\$ 95,232	\$ 92,424	\$ 90,704	\$ 87,636	\$ 84,873	\$ 85,213	\$ 85,169
Tenn Mavity	0	0	0	0	0	0	0
Local direct	0	0	0	0	0	0	0
CNR	104,889	100,979	99,099	96,661	93,950	94,327	93,843
TCO FSS MDSQ	101,149	97,379	95,566	93,215	90,469	90,831	90,365
Cove Point	0	0	0	0	0	0	0
TCO SCQ	422,610	410,265	402,627	389,523	377,172	378,683	378,683
TCO SST (50% in summer)	\$ 723,879	\$ 701,047	\$ 687,996	\$ 667,035	\$ 646,465	\$ 649,055	\$ 649,055
TOTAL - CITY-GATE PLUS UPSTREAM	\$ 794,307	\$ 762,665	\$ 748,467	\$ 726,018	\$ 703,908	\$ 706,728	\$ 706,728
Capacity Stranded	13,453,261	14,215,926	14,964,393	15,690,412	16,394,319	17,101,048	17,617,074
Cumulative Cost of Capacity Stranded							

V Based on peak day forecast for applicable period.

W Demand curves from Financial Planning.

X No capacity is stranded due to Choice if the peak day volume of Choice customers is less than the sales plus Choice capacity shortfall. The shortfall is used, to the extent possible to avoid stranded costs. This means that no capacity is stranded until the peak day volume of the Choice customers exceeds the capacity shortfall.

Attachment II

Stranded Capacity Costs are calculated per a methodology consistent with the Kentucky Public Service Commission orders:

- Each month Choice demand per the demand curve, is divided by total Sales and Choice Demand to determine Choice participation.
- Choice participation is reduced by the impact of any deficit in total capacity and any terminated capacity contracts. A/
- The remaining percentage is used to calculate stranded capacity. The cost of stranded capacity is based on current pipeline rates.

A/ Peak day capacity generally does not exactly match peak day demand. If peak day capacity is less than peak day demand the capacity shortfall is used to reduce stranded costs.

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Interrogatory No. 11

Referring to page 13 of Columbia's third (June 2, 2003) Customer Choice Program Annual Report to the Commission, Columbia asserts that to date (June 2, 2003), the Choice Program has resulted in \$19,616,583.00 in Total Revenues to Off-Set Stranded Costs, consisting of \$6,829,741.00 from Off-System Sales, \$2,637,822.00 from Balancing Charges, \$757,894.00 from Marketer Contribution, and \$9,391,126.00 from Capacity Assignment, please provide responses to the following:

- (a) By "to date," with regards to Columbia's above-mentioned revenues, is Columbia referring to revenues from the beginning of the Choice Program through June 2, 2003. If not, please provide the exact date range that Columbia is referring to.
- (b) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$19,616,583.00 in Total Revenues to Off-Set Stranded Costs, including Documents setting forth each transaction and the Person(s) that were the parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (c) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$6,829,741.00 from Off-System Sales, including Documents setting forth each transaction and parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (d) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$2,637,822.00 from Balancing Charges, including each transaction and the Person(s) that were the parties to the transaction(s), (ii) the Person(s) responsible for calculating,

deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.

- (e) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$757,894.00 from Marketer Contribution, including Documents setting forth each transaction and the Person(s) that were the parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (f) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$9,391,126.00 from Capacity Assignment, including Documents setting forth each transaction and the Person(s) that were the parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.

Response:

- (a) "To date" means the period from November 1, 2000 through April 30, 2003.
- (b) See Attached. The amounts are tracked by Columbia's accounting department.
- (c) See Attached. The amounts represent 75% of off-system sales revenue which is identified by Energy Supply Services as the allocation to Stranded Cost Revenue Opportunities and tracked by the accounting department.
- (d) See Attached. The balancing charges are tracked by the accounting department and are provided on monthly customer invoices to marketers.
- (e) See Attached. The marketer contribution revenues are tracked by accounting and are provided on monthly remittance statements to marketers.
- (f) See Attached. The amounts are tracked by Columbia's accounting department based on information provided by Energy Supply Services.

Columbia Gas of Kentucky
 CHOICE Stranded Pool Accounting Summary (\$000)

	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01
CHOICE Stranded Costs:									
Gross Stranded Costs	\$ 78,521.50	\$ 280,609.00	\$ 280,609.00	\$ 213,832.00	\$ 237,185.00	\$ 455,052.00	\$ 439,950.00	\$ 455,622.00	\$ 455,622.00
IT Programming Enhancements	\$ 213,205.77	\$ 2,543.99	\$ 8,882.35	\$ 1,965.94	\$ 1,198.04	\$ -	\$ 815.67	\$ 18.25	\$ 199.73
Education Costs	\$ 291,727.27	\$ 19,269.88	\$ -	\$ 9.26	\$ -	\$ -	\$ -	\$ -	\$ -
Total Stranded Costs:	\$ 291,727.27	\$ 302,422.87	\$ 289,491.35	\$ 215,807.20	\$ 238,383.04	\$ 455,052.00	\$ 440,765.67	\$ 455,640.25	\$ 455,821.73
Stranded Cost Revenue Sources:									
Capacity Assignment-Storage	\$ (30,507.07)	\$ (676,558.40)	\$ (305,769.88)	\$ (147,449.77)	\$(446,122.09)	\$(198,477.16)	\$(173,313.25)	\$ (73,429.47)	\$ (8,876.52)
Banking & Balancing	\$ (298.27)	\$ (20,661.93)	\$ (22,744.20)	\$ (19,393.97)	\$(104,737.96)	\$(142,372.18)	\$(286,270.03)	\$(212,933.05)	\$(316,360.17)
Off System Sales Margins (75%)	\$ (30,805.34)	\$ (697,220.33)	\$ (328,514.08)	\$ (166,843.74)	\$(580,261.14)	\$(24,770.22)	\$(10,488.79)	\$(7,527.86)	\$(5,773.51)
Marketer Contributions									
Total Revenue Sources:	\$ (30,805.34)	\$ (697,220.33)	\$ (328,514.08)	\$ (166,843.74)	\$(580,261.14)	\$(24,770.22)	\$(10,488.79)	\$(7,527.86)	\$(5,773.51)
Total Net Stranded Cost:	\$ 260,921.93	\$ (394,797.46)	\$ (39,022.73)	\$ 48,963.46	\$(341,878.10)	\$ 89,432.44	\$ (29,306.40)	\$ 161,749.87	\$ 19,477.21

	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02
\$	564,178.00	507,222.00	503,862.00	713,832.00	770,303.00	1,443,443.00	868,886.00	853,127.00	613,183.00	610,541.00	605,079.00
\$	-	-	-	-	62.86	-	-	-	-	-	-
\$	-	-	-	-	-	-	-	-	-	-	-
\$	564,178.00	507,222.00	503,862.00	713,832.00	770,365.86	1,443,443.00	868,886.00	853,127.00	613,183.00	610,541.00	605,079.00
\$	3,453.49	(90,949.58)	(208,163.57)	(73,675.97)	(642,049.78)	(140,539.61)	(185,949.86)	(179,706.70)	(454,344.04)	(575,726.24)	(493,165.24)
\$	14,215.77	(42,123.54)	(34,769.19)	(71,123.18)	(108,083.13)	(30,531.14)	(8,813.64)	(12,090.35)	(95,812.80)	(40,712.59)	(14,128.60)
\$	(209,606.28)	(180,248.16)	(289,832.64)	(180,191.24)	(355,912.70)	(171,738.02)	(93,201.15)	601,971.53	(186,150.13)	(145,557.30)	(229,588.82)
\$	(6,062.71)	(4,967.10)	(10,227.71)	(19,947.92)	(31,861.71)	(65,741.98)	(53,196.12)	(50,590.85)	(34,683.05)	(15,716.72)	(10,536.84)
\$	(197,999.73)	(318,288.38)	(542,993.11)	(344,938.31)	(1,137,907.32)	(408,550.75)	(341,160.77)	359,583.63	(770,990.02)	(777,712.85)	(747,419.50)
\$	366,178.27	188,933.62	(39,131.11)	368,893.69	(367,541.46)	1,034,892.25	527,725.23	1,212,710.63	(157,807.02)	(167,171.85)	(142,340.50)

	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	Total
\$	600,631.00	\$ 596,148.00	\$ 590,037.00	\$ 794,307.00	\$ 764,699.00	\$ 746,433.00	\$ 726,283.00	\$ 703,643.00	\$ 706,728.00	\$ 516,026.00	\$ 17,617,072.00
\$	-	-	-	-	-	-	-	-	-	-	\$ 94,208.33
\$	-	-	-	-	-	-	-	-	-	-	\$ 232,484.91
\$	600,631.00	\$ 596,148.00	\$ 590,037.00	\$ 794,307.00	\$ 764,699.00	\$ 746,433.00	\$ 726,283.00	\$ 703,643.00	\$ 706,728.00	\$ 516,026.00	\$ 17,943,765.24
\$	(486,062.34)	\$ (495,151.58)	\$ (461,656.75)	\$ (691,363.31)	\$ (721,400.61)	\$ (730,343.35)	\$ (769,525.93)	\$ (804,627.06)	\$ (724,283.86)	\$ (457,016.98)	\$ (9,391,125.39)
\$	(417.14)	\$ (734,743.36)	\$ 1,387,837.74	\$ (173.83)	\$ (694,328.96)	\$ (790,350.77)	\$ (365,478.03)	-	\$ 481.07	-	\$ (2,637,821.96)
\$	(247,165.32)	\$ (411,223.11)	\$ (319,428.43)	\$ (457,234.39)	\$ (265,578.58)	\$ (267,842.01)	\$ (285,727.50)	\$ (353,099.79)	\$ (298,609.55)	\$ (260,819.23)	\$ (6,829,741.35)
\$	(6,448.34)	\$ (6,018.68)	\$ (5,927.39)	\$ (8,562.42)	\$ (24,324.44)	\$ (51,256.36)	\$ (63,136.23)	\$ (69,340.87)	\$ (52,947.71)	\$ (25,340.41)	\$ (757,895.40)
\$	(740,093.14)	\$ (1,647,136.73)	\$ 600,825.17	\$ (1,157,333.95)	\$ (1,705,632.59)	\$ (1,839,792.49)	\$ (1,483,867.69)	\$ (1,227,067.72)	\$ (1,075,360.05)	\$ (743,176.62)	\$ (19,616,584.08)
\$	(139,462.14)	\$ (1,050,988.73)	\$ 1,190,862.17	\$ (363,026.95)	\$ (940,933.59)	\$ (1,093,359.49)	\$ (757,584.69)	\$ (523,424.72)	\$ (368,632.05)	\$ (227,150.62)	\$ (1,672,818.84)

IGS Data Request Set 1
Interrogatory No. 12
Respondent: Scott D. Phelps

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 12

For the period beginning five (5) years before the inception of the Choice Program through June of 2003, please Identify Any and all, and each and every off-system-sales transaction, including non-GCR sales, by Columbia, and Identify Any and all the Documents evidencing the same, including Documents setting forth each transaction and the Person(s) that were parties to the transaction.

Response:

The attachment to this response provides the transactional information for off system sales transactions from five years prior to the Choice program through June 2003.

Columbia Gas of Kentucky
Off-System Sales Transactions

CATEGORY (1)	DELIVERY PIPELINE (2)	COMPLETION MONTH (3)	VOLUME (4)	PRICE (5)	REVENUE (6=4*5)	PURCHASE COST (7)	STORAGE COST (8)	TRANSPORT COST (9)	TAXES (10)	TOTAL COST (11=7+8+9+10)	GROSS MARGIN (12=6-11)
SALE	TCO	Jan-95	102,300	\$2.0990	\$214,727.70	\$182,837.63	\$0.00	\$5,016.71	\$0.00	\$187,854.34	\$26,873.36
SALE	TENN	Jan-95	65,472	\$1.7700	\$115,885.44	\$103,369.50	\$0.00	\$2,795.65	\$0.00	\$106,165.15	\$9,720.29
SALE	CGT LAT	Mar-95	435	\$1.4100	\$613.35	\$595.95	\$0.00	\$0.00	\$0.00	\$595.95	\$17.40
SALE	CGT LAT	Mar-95	434	\$1.4100	\$611.94	\$594.58	\$0.00	\$0.00	\$0.00	\$594.58	\$17.36
SALE	CGT LAT	Mar-95	3,915	\$1.3800	\$5,402.70	\$5,363.55	\$0.00	\$0.00	\$0.00	\$5,363.55	\$39.15
SALE	CGT LAT	Mar-95	468	\$1.3800	\$645.84	\$641.16	\$0.00	\$0.00	\$0.00	\$641.16	\$4.68
SALE	CGT LAT	Mar-95	3,438	\$1.4000	\$4,813.20	\$4,710.06	\$0.00	\$0.00	\$0.00	\$4,710.06	\$103.14
SALE	CGT LAT	Mar-95	900	\$1.4300	\$1,287.00	\$1,278.00	\$0.00	\$0.00	\$0.00	\$1,278.00	\$9.00
SALE	TCO	Mar-95	11,210	\$1.6300	\$18,272.30	\$17,259.30	\$0.00	\$294.82	\$0.00	\$17,554.12	\$718.18
SALE	TCO	Mar-95	48,000	\$1.5900	\$76,320.00	\$72,480.00	\$0.00	\$0.00	\$0.00	\$72,480.00	\$3,840.00
EXCHANGE	CGT LAT	Dec-95	95,000	\$0.4300	\$40,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,850.00
EXCHANGE	TCO	Feb-96	220,000	\$0.8300	\$182,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$182,600.00
EXCHANGE	TCO	Mar-96	290,000	\$0.6000	\$174,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$174,000.00
EXCHANGE	TCO	Jun-96	36,000	\$0.0300	\$1,080.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,080.00
EXCHANGE	TCO	Aug-96	300,000	\$0.6300	\$189,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$189,000.00
EXCHANGE	CGT LAT	Aug-96	465,000	\$0.1800	\$83,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$83,700.00
EXCHANGE	TCO	Aug-96	140,000	\$0.0400	\$5,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,600.00
EXCHANGE	CGT LAT	Aug-96	30,000	\$0.0210	\$630.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$630.00
SALE	TCO	Aug-96	11,000	\$2.1700	\$23,870.00	\$23,650.00	\$0.00	\$0.00	\$0.00	\$23,650.00	\$220.00
SALE	TCO	Aug-96	4,000	\$2.2300	\$8,920.00	\$8,600.00	\$0.00	\$0.00	\$0.00	\$8,600.00	\$320.00
SALE	TCO	Aug-96	5,000	\$2.2900	\$11,450.00	\$11,000.00	\$0.00	\$0.00	\$0.00	\$11,000.00	\$450.00
SALE	TCO	Aug-96	15,000	\$2.2000	\$33,000.00	\$32,250.00	\$0.00	\$0.00	\$0.00	\$32,250.00	\$750.00
SALE	TCO	Aug-96	10,000	\$2.2500	\$22,500.00	\$21,500.00	\$0.00	\$0.00	\$0.00	\$21,500.00	\$1,000.00
SALE	TCO	Aug-96	30,000	\$2.0900	\$62,700.00	\$61,500.00	\$0.00	\$0.00	\$0.00	\$61,500.00	\$1,200.00
SALE	TCO	Aug-96	30,000	\$2.0900	\$62,700.00	\$62,100.00	\$0.00	\$0.00	\$0.00	\$62,100.00	\$600.00
SALE	TCO	Aug-96	10,000	\$2.2100	\$22,100.00	\$22,000.00	\$0.00	\$0.00	\$0.00	\$22,000.00	\$100.00
SALE	TCO	Aug-96	45,000	\$2.2800	\$102,600.00	\$99,130.05	\$0.00	\$1,305.00	\$0.00	\$100,435.05	\$2,164.95
EXCHANGE	TCO	Sep-96	15,000	\$0.1500	\$2,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,250.00
EXCHANGE	TCO	Sep-96	75,000	\$0.1050	\$7,875.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,875.00
EXCHANGE	TCO	Sep-96	160,000	\$0.1000	\$16,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,000.00
SALE	TCO	Sep-96	60,000	\$1.9200	\$115,200.00	\$111,900.00	\$0.00	\$0.00	\$0.00	\$111,900.00	\$3,300.00
SALE	TCO	Sep-96	240,000	\$1.9200	\$460,800.00	\$458,400.00	\$0.00	\$0.00	\$0.00	\$458,400.00	\$2,400.00
EXCHANGE	TCO	Sep-96	50,000	\$0.0500	\$2,500.00	\$0.00	\$0.00	\$400.00	\$0.00	\$400.00	\$2,100.00
EXCHANGE	TCO	Sep-96	700	\$0.1000	\$70.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70.00
SALE	TCO	Sep-96	15,000	\$1.9600	\$29,400.00	\$27,150.00	\$0.00	\$0.00	\$0.00	\$27,150.00	\$2,250.00
SALE	TCO	Sep-96	10,000	\$1.9300	\$19,300.00	\$18,650.00	\$0.00	\$0.00	\$0.00	\$18,650.00	\$650.00
SALE	TCO	Sep-96	5,000	\$1.9300	\$9,650.00	\$9,325.00	\$0.00	\$0.00	\$0.00	\$9,325.00	\$325.00
SALE	TCO	Sep-96	50,106	\$2.1300	\$106,725.78	\$97,210.65	\$0.00	\$0.00	\$0.00	\$97,210.65	\$9,515.13
SALE	TCO	Sep-96	10,000	\$1.9400	\$19,400.00	\$18,650.00	\$0.00	\$0.00	\$0.00	\$18,650.00	\$750.00
SALE	TCO	Sep-96	5,000	\$1.9400	\$9,700.00	\$9,325.00	\$0.00	\$0.00	\$0.00	\$9,325.00	\$375.00
SALE	TCO	Sep-96	90,000	\$1.9400	\$174,600.00	\$166,950.00	\$0.00	\$0.00	\$0.00	\$166,950.00	\$7,650.00
SALE	TCO	Sep-96	8,000	\$1.9600	\$15,680.00	\$14,920.00	\$0.00	\$0.00	\$0.00	\$14,920.00	\$760.00
SALE	TCO	Sep-96	3,000	\$1.9600	\$5,880.00	\$5,595.00	\$0.00	\$0.00	\$0.00	\$5,595.00	\$285.00
SALE	TCO	Sep-96	2,496	\$2.0000	\$4,992.00	\$4,888.00	\$0.00	\$55.26	\$0.00	\$4,943.26	\$48.74
EXCHANGE	TCO	Sep-96	35,000	\$0.0400	\$1,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,400.00
SALE	TCO	Sep-96	10,000	\$2.1700	\$21,700.00	\$21,600.00	\$0.00	\$0.00	\$0.00	\$21,600.00	\$100.00
SALE	TENN	Sep-96	300,000	\$1.7580	\$527,400.00	\$525,900.00	\$0.00	\$0.00	\$0.00	\$525,900.00	\$1,500.00
EXCHANGE	TCO	Oct-96	300,000	\$0.1600	\$48,000.00	\$0.00	\$0.00	\$29,160.00	\$0.00	\$29,160.00	\$18,840.00
SALE	TCO	Oct-96	5,000	\$2.1000	\$10,500.00	\$9,471.00	\$0.00	\$0.00	\$0.00	\$9,471.00	\$1,029.00
SALE	TCO	Oct-96	5,000	\$2.1000	\$10,500.00	\$9,471.00	\$0.00	\$0.00	\$0.00	\$9,471.00	\$1,029.00
SALE	TCO	Oct-96	4,685	\$2.4000	\$11,244.00	\$10,750.00	\$0.00	\$132.59	\$0.00	\$10,882.59	\$361.41
SALE	TCO	Oct-96	12,000	\$2.5500	\$30,600.00	\$30,300.00	\$0.00	\$0.00	\$0.00	\$30,300.00	\$300.00
EXCHANGE	TCO	Nov-96	300,000	\$0.3000	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00
EXCHANGE	TCO	Nov-96	270,000	\$0.2800	\$75,600.00	\$0.00	\$0.00	\$26,487.00	\$0.00	\$26,487.00	\$49,113.00
SALE	TCO	Nov-96	3,125	\$2.7700	\$8,656.25	\$8,093.75	\$0.00	\$65.10	\$0.00	\$8,158.85	\$497.40
SALE	TCO	Nov-96	3,168	\$2.8700	\$9,092.16	\$8,877.00	\$0.00	\$65.10	\$0.00	\$8,942.10	\$150.06
EXCHANGE	TCO	Dec-96	95,000	\$0.4750	\$45,125.00	\$0.00	\$0.00	\$10,583.00	\$0.00	\$10,583.00	\$34,542.00
EXCHANGE	TCO	Dec-96	310,000	\$0.4500	\$139,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$139,500.00
EXCHANGE	TCO	Dec-96	600,000	\$0.1900	\$114,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$114,000.00
EXCHANGE	TCO	Dec-96	184,000	\$0.5850	\$107,640.00	\$0.00	\$0.00	\$40,154.60	\$0.00	\$40,154.60	\$67,485.40
EXCHANGE	TCO	Dec-96	38,000	\$0.0400	\$1,520.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,520.00
EXCHANGE	TCO	Dec-96	30,000	\$0.0600	\$1,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00
EXCHANGE	TCO	Dec-96	15,000	\$0.0300	\$450.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450.00
EXCHANGE	TCO	Dec-96	10,000	\$0.0400	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400.00
EXCHANGE	CGT LAT	Dec-96	20,000	\$0.0300	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00
EXCHANGE	CGT LAT	Dec-96	60,000	\$0.0300	\$1,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00
EXCHANGE	CGT LAT	Dec-96	15,000	\$0.0300	\$450.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450.00
EXCHANGE	TCO	Jan-97	300,000	\$0.4800	\$144,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$144,000.00
EXCHANGE	TCO	Jan-97	620,000	\$0.2100	\$130,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$130,200.00
EXCHANGE	TCO	Jan-97	262,500	\$0.2200	\$57,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,750.00
EXCHANGE	CGT LAT	Jan-97	331,986	\$0.0412	\$13,691.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,691.10
EXCHANGE	TCO	Jan-97	4,400	\$0.1400	\$616.00	\$0.00	\$0.00	\$124.52	\$0.00	\$124.52	\$491.48
EXCHANGE	TCO	Mar-97	40,000	\$0.0650	\$2,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,600.00
EXCHANGE	TCO	Mar-97	5,000	\$0.0300	\$150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150.00
EXCHANGE	TCO	Mar-97	5,000	\$0.0300	\$150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150.00
SALE	TCO	Mar-97	15,000	\$1.9600	\$29,400.00	\$27,535.50	\$0.00	\$0.00	\$0.00	\$27,535.50	\$1,864.50
EXCHANGE	TCO	Mar-97	30,000	\$0.0300	\$900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00
SALE	TCO	Mar-97	5,178	\$1.9700	\$10,200.66	\$9,505.25	\$0.00	\$0.00	\$0.00	\$9,505.25	\$695.41
SALE	TCO	Mar-97	5,000	\$1.9700	\$9,850.00	\$9,178.50	\$0.00	\$0.00	\$0.00	\$9,178.50	\$671.50
SALE	TCO	Mar-97	10,000	\$1.9900	\$19,900.00	\$18,357.00	\$0.00	\$0.00	\$0.00	\$18,357.00	\$1,543.00
SALE	TCO	Mar-97	40,000	\$1.9900	\$79,600.00	\$73,428.00	\$0.00	\$0.00	\$0.00	\$73,428.00	\$6,172.00
SALE	TCO	Mar-97	100,000	\$1.9500	\$195,000.00	\$183,570.00	\$0.00	\$0.00	\$0.00	\$183,570.00	\$11,430.00
SALE	TCO	Mar-97	4,000	\$2.0000	\$8,000.00	\$7,342.80	\$0.00	\$0.00	\$0.00	\$7,342.80	\$657.20
SALE	TCO	Mar-97	10,000	\$1.9700	\$19,700.00	\$18,357.00	\$0.00	\$0.00	\$0.00	\$18,357.00	\$1,343.00
SALE	TCO	Mar-97	10,000	\$2.0200	\$20,200.00	\$18,357.00	\$0.00	\$0.00	\$0.00	\$18,357.00	\$1,843.00
SALE	TCO	Mar-97	100,000	\$1.9700	\$197,000.00	\$183,570.00	\$0.00	\$0.00	\$0.00	\$183,570.00	\$13,430.00
SALE	TCO	Mar-97	2,000	\$2.0100	\$4,020.00	\$3,671.40	\$0.00	\$0.00	\$0.00	\$3,671.40	\$348.60
SALE	TCO	Mar-97	10,000	\$2.1000	\$21,000.00	\$18,357.00	\$0.00	\$0.00	\$0.00	\$18,357.00	\$2,643.00
SALE	TCO	Mar-97	4,000	\$2.1100	\$8,440.00	\$7,342.80	\$0.00	\$0.00	\$0.00	\$7,342.80	\$1,097.20
SALE	CGT LAT	Mar-97	200,000	\$1.8800	\$376,000.00	\$347,980.00	\$0.00	\$0.00	\$0.00	\$347,980.00	\$28,020.00
SALE	CGT LAT	Mar-97	100,000	\$1.8800	\$188,000.00	\$183,570.00	\$0.00	\$0.00	\$0.00	\$183,570.00	\$13,430.00

Columbia Gas of Kentucky
Off-System Sales Transactions

CATEGORY (1)	DELIVERY PIPELINE (2)	COMPLETION MONTH (3)	VOLUME (4)	PRICE (5)	REVENUE (6=4*5)	PURCHASE COST (7)	STORAGE COST (8)	TRANSPORT COST (9)	TAXES (10)	TOTAL COST (11=7+8+9+10)	GROSS MARGIN (12=6-11)
EXCHANGE	TCO	Feb-99	10,000	\$0.0300	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300.00
EXCHANGE	TCO	Feb-99	35,000	\$0.0300	\$1,050.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,050.00
EXCHANGE	TCO	Feb-99	25,000	\$0.0300	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$750.00
EXCHANGE	TCO	Feb-99	79,000	\$0.0300	\$2,370.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,370.00
EXCHANGE	TCO	Feb-99	60,000	\$0.0300	\$1,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00
EXCHANGE	TCO	Feb-99	25,000	\$0.0350	\$875.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$875.00
SALE	TCO	Feb-99	310,000	\$1.9500	\$604,500.00	\$594,177.00	\$0.00	\$0.00	\$0.00	\$594,177.00	\$10,323.00
SALE	TCO	Feb-99	930,000	\$1.9500	\$1,813,500.00	\$1,782,531.00	\$0.00	\$0.00	\$0.00	\$1,782,531.00	\$30,969.00
SALE	TCO	Feb-99	620,000	\$1.9500	\$1,209,000.00	\$1,188,354.00	\$0.00	\$0.00	\$0.00	\$1,188,354.00	\$20,646.00
SALE	TCO	Feb-99	600,000	\$1.9500	\$1,170,000.00	\$1,150,020.00	\$0.00	\$0.00	\$0.00	\$1,150,020.00	\$19,980.00
SALE	TCO	Feb-99	20,000	\$1.9200	\$38,400.00	\$38,334.00	\$0.00	\$0.00	\$0.00	\$38,334.00	\$66.00
SALE	CGT LAT	Feb-99	40,000	\$1.8000	\$72,000.00	\$71,780.00	\$0.00	\$0.00	\$0.00	\$71,780.00	\$220.00
MANAGEMENT FEE	TENN	Feb-99			\$3,050.00						\$3,050.00
MANAGEMENT FEE	TENN	Feb-99			\$6,446.20						\$6,446.20
SALE OPTION	TCO	Mar-99	1,370,000	\$0.1750	\$239,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$239,750.00
EXCHANGE	TCO	Mar-99	155,000	\$0.0300	\$4,650.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,650.00
EXCHANGE	TCO	Mar-99	310,000	\$0.0200	\$6,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,200.00
EXCHANGE	TCO	Mar-99	310,000	\$0.0300	\$9,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,300.00
EXCHANGE	TCO	Mar-99	310,000	\$0.0250	\$7,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,750.00
SALE	TCO	Mar-99	620,000	\$1.7800	\$1,103,600.00	\$1,077,746.00	\$0.00	\$0.00	\$0.00	\$1,077,746.00	\$25,854.00
SALE	CGT LAT	Mar-99	1,530,000	\$1.6500	\$2,524,500.00	\$2,482,272.00	\$0.00	\$0.00	\$0.00	\$2,482,272.00	\$42,228.00
EXCHANGE	TCO	Mar-99	31,000	\$0.0400	\$1,240.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,240.00
SALE	TCO	Mar-99	310,000	\$1.7900	\$554,900.00	\$538,873.00	\$0.00	\$0.00	\$0.00	\$538,873.00	\$16,027.00
SALE	CGT LAT	Mar-99	920,000	\$1.6500	\$1,518,000.00	\$1,492,608.00	\$0.00	\$0.00	\$0.00	\$1,492,608.00	\$25,392.00
SALE	TCO	Mar-99	3,500	\$1.7800	\$6,230.00	\$6,084.05	\$0.00	\$0.00	\$0.00	\$6,084.05	\$145.95
SALE	TCO	Mar-99	610,000	\$1.7900	\$1,091,900.00	\$1,060,363.00	\$0.00	\$0.00	\$0.00	\$1,060,363.00	\$31,537.00
SALE	CGT LAT	Mar-99	300,000	\$1.6500	\$495,000.00	\$486,720.00	\$0.00	\$0.00	\$0.00	\$486,720.00	\$8,280.00
SALE	TCO	Mar-99	6,000	\$1.7900	\$10,740.00	\$10,429.80	\$0.00	\$0.00	\$0.00	\$10,429.80	\$310.20
SALE	TCO	Mar-99	7,000	\$1.8700	\$13,090.00	\$12,168.10	\$0.00	\$0.00	\$0.00	\$12,168.10	\$921.90
SALE	TCO	Mar-99	310,000	\$1.9200	\$595,200.00	\$538,873.00	\$0.00	\$0.00	\$0.00	\$538,873.00	\$56,327.00
SALE	CGT LAT	Mar-99	765,000	\$1.8000	\$1,377,000.00	\$1,241,136.00	\$0.00	\$0.00	\$0.00	\$1,241,136.00	\$135,864.00
SALE	TCO	Mar-99	450,000	\$1.8000	\$810,000.00	\$782,235.00	\$0.00	\$0.00	\$0.00	\$782,235.00	\$27,765.00
SALE	CGT LAT	Mar-99	2,140,000	\$1.7800	\$3,809,200.00	\$3,471,936.00	\$0.00	\$0.00	\$0.00	\$3,471,936.00	\$337,264.00
SALE	TCO	Mar-99	20,380	\$1.9300	\$39,333.40	\$35,426.55	\$0.00	\$0.00	\$0.00	\$35,426.55	\$3,906.85
SALE	TCO	Mar-99	10,191	\$1.9300	\$19,668.63	\$17,715.02	\$0.00	\$0.00	\$0.00	\$17,715.02	\$1,953.61
SALE	TCO	Mar-99	30,000	\$1.9150	\$57,450.00	\$52,149.00	\$0.00	\$0.00	\$0.00	\$52,149.00	\$5,301.00
SALE	TCO	Mar-99	60,000	\$1.9300	\$115,800.00	\$104,298.00	\$0.00	\$0.00	\$0.00	\$104,298.00	\$11,502.00
SALE	TCO	Mar-99	300,000	\$1.9100	\$573,000.00	\$521,490.00	\$0.00	\$0.00	\$0.00	\$521,490.00	\$51,510.00
SALE	TCO	Mar-99	1,530,000	\$1.9300	\$2,952,900.00	\$2,659,599.00	\$0.00	\$0.00	\$0.00	\$2,659,599.00	\$293,301.00
SALE	TCO	Mar-99	300,000	\$1.9300	\$579,000.00	\$521,490.00	\$0.00	\$0.00	\$0.00	\$521,490.00	\$57,510.00
SALE	TCO	Mar-99	310,000	\$1.9300	\$598,300.00	\$538,873.00	\$0.00	\$0.00	\$0.00	\$538,873.00	\$59,427.00
SALE	TCO	Mar-99	300,000	\$1.9200	\$576,000.00	\$521,490.00	\$0.00	\$0.00	\$0.00	\$521,490.00	\$54,510.00
SALE	TCO	Mar-99	300,000	\$1.9300	\$579,000.00	\$521,490.00	\$0.00	\$0.00	\$0.00	\$521,490.00	\$57,510.00
SALE	TCO	Mar-99	310,000	\$1.9300	\$598,300.00	\$538,873.00	\$0.00	\$0.00	\$0.00	\$538,873.00	\$59,427.00
SALE	TCO	Mar-99	300,000	\$1.9300	\$579,000.00	\$521,490.00	\$0.00	\$0.00	\$0.00	\$521,490.00	\$57,510.00
SALE	TCO	Mar-99	30,000	\$1.9200	\$57,600.00	\$52,149.00	\$0.00	\$0.00	\$0.00	\$52,149.00	\$5,451.00
SALE	TCO	Mar-99	10,000	\$1.9100	\$19,100.00	\$17,383.00	\$0.00	\$0.00	\$0.00	\$17,383.00	\$1,717.00
SALE	CGT LAT	Mar-99	465,000	\$1.7800	\$827,700.00	\$754,416.00	\$0.00	\$0.00	\$0.00	\$754,416.00	\$73,284.00
SALE	CGT LAT	Mar-99	450,000	\$1.7800	\$801,000.00	\$730,080.00	\$0.00	\$0.00	\$0.00	\$730,080.00	\$70,920.00
SALE	TCO	Mar-99	20,000	\$1.9450	\$38,900.00	\$34,766.00	\$0.00	\$0.00	\$0.00	\$34,766.00	\$4,134.00
SALE	TCO	Mar-99	20,000	\$1.9400	\$38,800.00	\$34,766.00	\$0.00	\$0.00	\$0.00	\$34,766.00	\$4,034.00
SALE	TCO	Mar-99	310,000	\$1.9500	\$604,500.00	\$538,873.00	\$0.00	\$0.00	\$0.00	\$538,873.00	\$65,627.00
SALE	TCO	Mar-99	300,000	\$1.9500	\$585,000.00	\$521,490.00	\$0.00	\$0.00	\$0.00	\$521,490.00	\$63,510.00
SALE	TCO	Mar-99	300,000	\$1.9300	\$579,000.00	\$521,490.00	\$0.00	\$0.00	\$0.00	\$521,490.00	\$57,510.00
SALE	TCO	Mar-99	310,000	\$1.9300	\$598,300.00	\$538,873.00	\$0.00	\$0.00	\$0.00	\$538,873.00	\$59,427.00
SALE	TCO	Mar-99	310,000	\$1.9300	\$598,300.00	\$538,873.00	\$0.00	\$0.00	\$0.00	\$538,873.00	\$59,427.00
SALE	TCO	Mar-99	300,000	\$1.9300	\$579,000.00	\$521,490.00	\$0.00	\$0.00	\$0.00	\$521,490.00	\$57,510.00
SALE	TCO	Mar-99	310,000	\$1.9300	\$598,300.00	\$538,873.00	\$0.00	\$0.00	\$0.00	\$538,873.00	\$59,427.00
SALE	TCO	Mar-99	7,998	\$2.0500	\$16,395.90	\$14,406.80	\$0.00	\$0.00	\$0.00	\$14,406.80	\$1,989.10
MANAGEMENT FEE	TENN	Mar-99			\$3,056.54						\$3,056.54
EXCHANGE	TCO	Apr-99	300,000	\$0.2850	\$85,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$85,500.00
EXCHANGE	TCO	Apr-99	300,000	\$0.3000	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00
EXCHANGE	TCO	Apr-99	150,000	\$0.3000	\$45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,000.00
EXCHANGE	TCO	Apr-99	300,000	\$0.2050	\$61,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$61,500.00
EXCHANGE	TCO	Apr-99	310,000	\$0.4000	\$124,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$124,000.00
EXCHANGE	TCO	Apr-99	11,591	\$0.0200	\$231.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$231.82
EXCHANGE	CGT LAT	Apr-99	765,000	\$0.0265	\$20,272.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,272.50
EXCHANGE	TCO	Apr-99	450,000	\$0.0250	\$11,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,250.00
EXCHANGE	TCO	Apr-99	300,000	\$0.0300	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,000.00
EXCHANGE	TCO	Apr-99	300,000	\$0.0250	\$7,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,500.00
EXCHANGE	TCO	Apr-99	300,000	\$0.0250	\$7,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,500.00
SALE	TCO	Apr-99	300,000	\$1.9900	\$597,000.00	\$591,000.00	\$0.00	\$0.00	\$0.00	\$591,000.00	\$6,000.00
SALE	TCO	Apr-99	90,000	\$1.9820	\$178,380.00	\$177,480.00	\$0.00	\$0.00	\$0.00	\$177,480.00	\$900.00
SALE	TCO	Apr-99	300,000	\$2.0070	\$602,100.00	\$599,850.00	\$0.00	\$0.00	\$0.00	\$599,850.00	\$2,250.00
SALE	TCO	Apr-99	600,000	\$2.0120	\$1,207,200.00	\$1,201,200.00	\$0.00	\$0.00	\$0.00	\$1,201,200.00	\$6,000.00
SALE	CGT LAT	Apr-99	13,530	\$2.0200	\$27,330.60	\$27,060.00	\$0.00	\$0.00	\$0.00	\$27,060.00	\$270.60
EXCHANGE	TCO	Apr-99	52,800	\$0.0300	\$1,584.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,584.00
SALE	CGT LAT	Apr-99	310,000	\$2.0550	\$637,050.00	\$577,747.00	\$0.00	\$0.00	\$0.00	\$577,747.00	\$59,303.00
SALE	TCO	Apr-99	10,000	\$2.4500	\$24,500.00	\$19,894.00	\$0.00	\$0.00	\$0.00	\$19,894.00	\$4,606.00
SALE	CGT MAIN	Apr-99	310,000	\$2.1800	\$675,800.00	\$592,534.00	\$0.00	\$0.00	\$0.00	\$592,534.00	\$83,266.00
SALE	TCO	Apr-99	28,000	\$2.3700	\$66,360.00	\$55,703.20	\$0.00	\$0.00	\$0.00	\$55,703.20	\$10,656.80
SALE	TCO	Apr-99	30,000	\$2.3900	\$71,700.00	\$59,682.00	\$0.00	\$0.00	\$0.00	\$59,682.00	\$12,018.00
EXCHANGE	TCO	Apr-99	27,435	\$0.0300	\$823.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$823.05
SALE	TCO	Apr-99	5,000	\$2.3750	\$11,875.00	\$9,947.00	\$0.00	\$0.00	\$0.00	\$9,947.00	\$1,928.00
SALE	TCO	Apr-99	15,000	\$2.5300	\$37,950.00	\$29,841.00	\$0.00	\$0.00	\$0.00	\$29,841.00	\$8,109.00
SALE	TCO	Apr-99	8,000	\$2.5000	\$20,000.00	\$15,915.20	\$0.00	\$0.00	\$0.00	\$15,915.20	\$4,084.80
SALE	TCO	Apr-99	10,000	\$2.4700	\$24,700.00	\$19,894.00	\$0.00	\$0.00	\$0.00	\$19,894.00	\$4,806.00
SALE	TCO	Apr-99	10,000	\$2.4900	\$24,900.00	\$19,894.00	\$0.00	\$0.00	\$0.00	\$19,894.00	\$5,006.00
SALE	TCO	Apr-99	7,800	\$2.4900	\$19,422.00	\$15,517.32	\$0.00	\$0.00	\$0.00	\$15,517.32	\$3,904.68
SALE	TCO	Apr-99	5,000	\$2.0000	\$10,000.00	\$9,947.00	\$0.00	\$0.00	\$0.00	\$9,947.00	\$2,503.00

Columbia Gas of Kentucky
Off-System Sales Transactions

CATEGORY (1)	DELIVERY PIPELINE (2)	COMPLETION MONTH (3)	VOLUME (4)	PRICE (5)	REVENUE (6=4*5)	PURCHASE COST (7)	STORAGE COST (8)	TRANSPORT COST (9)	TAXES (10)	TOTAL COST (11=7+8+9+10)	GROSS MARGIN (12=6-11)
EXCHANGE	CGT LAT	Jun-00	150,000	\$0.2150	\$32,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,250.00
EXCHANGE	CGT LAT	Jun-00	300,000	\$0.1500	\$45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,000.00
EXCHANGE	CGT LAT	Jun-00	300,000	\$0.1600	\$48,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,000.00
EXCHANGE	TCO	Jun-00	300,000	\$0.1700	\$51,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,000.00
EXCHANGE	CGT LAT	Jun-00	300,000	\$0.0400	\$12,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,000.00
EXCHANGE	TCO	Jun-00	300,000	\$0.0300	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,000.00
EXCHANGE	TCO	Jun-00	60,000	\$0.1900	\$11,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,400.00
EXCHANGE	CGT MAIN	Jun-00	42,000	\$0.1900	\$7,980.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,980.00
EXCHANGE	TCO	Jun-00	100,000	\$0.3100	\$31,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,000.00
EXCHANGE	TCO	Jun-00	30,000	\$0.3050	\$9,150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,150.00
EXCHANGE	TCO	Jun-00	135,000	\$0.2925	\$39,487.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$39,487.50
MANAGEMENT FEE	TENN	Jun-00			\$5,710.26						\$5,710.26
MANAGEMENT FEE	TENN	Jun-00			\$128.63						\$128.63
MANAGEMENT FEE	TENN	Jun-00			\$1,932.34						\$1,932.34
SALE OPTION	TCO	Jun-00	300,000	\$0.0900	\$27,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000.00
EXCHANGE	TCO	Jul-00	310,000	\$0.1850	\$57,350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,350.00
EXCHANGE	TCO	Jul-00	310,000	\$0.1713	\$53,103.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,103.00
EXCHANGE	CGT LAT	Jul-00	310,000	\$0.1500	\$46,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,500.00
EXCHANGE	CGT LAT	Jul-00	155,000	\$0.2150	\$33,325.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,325.00
EXCHANGE	CGT LAT	Jul-00	310,000	\$0.1600	\$49,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,600.00
EXCHANGE	TCO	Jul-00	310,000	\$0.1700	\$52,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,700.00
EXCHANGE	CGT LAT	Jul-00	310,000	\$0.0400	\$12,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,400.00
EXCHANGE	TCO	Jul-00	310,000	\$0.0300	\$9,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,300.00
SALE OPTION	TCO	Jul-00	310,000	\$0.1300	\$40,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,300.00
SALE OPTION	TCO	Jul-00	310,000	\$0.1500	\$46,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,500.00
EXCHANGE	TCO	Aug-00	310,000	\$0.1850	\$57,350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,350.00
EXCHANGE	TCO	Aug-00	310,000	\$0.1670	\$51,770.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,770.00
EXCHANGE	CGT LAT	Aug-00	310,000	\$0.1500	\$46,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,500.00
EXCHANGE	CGT LAT	Aug-00	155,000	\$0.2150	\$33,325.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,325.00
EXCHANGE	CGT LAT	Aug-00	310,000	\$0.1600	\$49,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,600.00
EXCHANGE	TCO	Aug-00	310,000	\$0.1700	\$52,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,700.00
EXCHANGE	CGT LAT	Aug-00	310,000	\$0.0400	\$12,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,400.00
EXCHANGE	TCO	Aug-00	310,000	\$0.0300	\$9,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,300.00
EXCHANGE	CGT LAT	Aug-00	310,000	\$0.2800	\$86,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$86,800.00
EXCHANGE	TCO	Aug-00	310,000	\$0.3200	\$99,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,200.00
SALE OPTION	TCO	Aug-00	1,530,000	\$0.0800	\$122,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$122,400.00
SALE OPTION	TCO	Aug-00	310,000	\$0.1800	\$55,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,800.00
EXCHANGE	CGT LAT	Sep-00	300,000	\$0.1600	\$48,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,000.00
EXCHANGE	TCO	Sep-00	300,000	\$0.1600	\$48,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,000.00
EXCHANGE	TCO	Sep-00	300,000	\$0.1700	\$51,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,000.00
EXCHANGE	TCO	Sep-00	300,000	\$0.1700	\$51,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,000.00
EXCHANGE	CGT LAT	Sep-00	450,000	\$0.1475	\$66,375.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$66,375.00
EXCHANGE	CGT LAT	Sep-00	600,000	\$0.0400	\$24,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,000.00
EXCHANGE	TCO	Sep-00	300,000	\$0.0300	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,000.00
EXCHANGE	CGT LAT	Sep-00	300,000	\$0.2800	\$84,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,000.00
EXCHANGE	TCO	Sep-00	300,000	\$0.3200	\$96,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,000.00
EXCHANGE	CGT LAT	Sep-00	300,000	\$0.3650	\$109,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$109,500.00
EXCHANGE	TCO	Sep-00	600,000	\$0.4500	\$270,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$270,000.00
MANAGEMENT FEE	TENN	Sep-00			\$346.01						\$346.01
MANAGEMENT FEE	TENN	Sep-00			\$453.38						\$453.38
EXCHANGE	CGT LAT	Oct-00	310,000	\$0.1600	\$49,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,600.00
EXCHANGE	TCO	Oct-00	310,000	\$0.1700	\$52,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,700.00
EXCHANGE	TCO	Oct-00	310,000	\$0.1700	\$52,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,700.00
EXCHANGE	TCO	Oct-00	310,000	\$0.1800	\$55,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,800.00
EXCHANGE	CGT LAT	Oct-00	465,000	\$0.1525	\$70,912.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,912.50
EXCHANGE	CGT LAT	Oct-00	310,000	\$0.0400	\$12,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,400.00
EXCHANGE	TCO	Oct-00	310,000	\$0.0300	\$9,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,300.00
EXCHANGE	CGT LAT	Oct-00	310,000	\$0.2800	\$86,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$86,800.00
EXCHANGE	TCO	Oct-00	310,000	\$0.3200	\$99,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,200.00
EXCHANGE	CGT LAT	Oct-00	310,000	\$0.3650	\$113,150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$113,150.00
EXCHANGE	TCO	Oct-00	310,000	\$0.4250	\$131,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$131,750.00
EXCHANGE	TCO	Oct-00	31,000	\$0.1900	\$5,890.00	\$0.00	\$0.00	\$4,513.60	\$0.00	\$4,513.60	\$1,376.40
EXCHANGE	TCO	Nov-00	310,000	\$0.0200	\$6,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,200.00
EXCHANGE	TCO	Nov-00	5,000	\$0.0100	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.00
EXCHANGE	TCO	Nov-00	13,000	\$0.3500	\$4,550.00	\$0.00	\$0.00	\$2,804.10	\$0.00	\$2,804.10	\$1,745.90
MANAGEMENT FEE	TENN	Nov-00			\$2,613.75						\$2,613.75
MANAGEMENT FEE	TENN	Nov-00			\$897.32						\$897.32
MANAGEMENT FEE	TENN	Nov-00			\$3,016.52						\$3,016.52
MANAGEMENT FEE	TENN	Dec-00			\$2,613.75						\$2,613.75
EXCHANGE	TCO	Jan-01	90,000	\$0.3300	\$29,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,700.00
EXCHANGE	TCO	Jan-01	91,784	\$0.0300	\$2,753.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,753.52
MANAGEMENT FEE	TENN	Jan-01			\$2,613.75						\$2,613.75
SALE OPTION	TCO	Jan-01	310,000	\$1.0000	\$310,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$310,000.00
EXCHANGE	TCO	Feb-01	250,000	\$0.2300	\$57,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,500.00
SALE	TCO	Feb-01	95,000	\$6.6300	\$629,850.00	\$611,800.00	\$0.00	\$0.00	\$0.00	\$611,800.00	\$18,050.00
EXCHANGE	TENN	Feb-01	29,958	\$0.0300	\$898.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$898.74
EXCHANGE	TENN	Feb-01	10,650	\$0.0300	\$319.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$319.50
EXCHANGE	TENN	Feb-01	35,500	\$0.0300	\$1,065.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,065.00
EXCHANGE	TENN	Feb-01	28,628	\$0.0300	\$858.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$858.84
MANAGEMENT FEE	TENN	Feb-01			\$2,613.75						\$2,613.75
EXCHANGE	TCO	Mar-01	20,000	\$0.1200	\$2,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,400.00
EXCHANGE	TCO	Mar-01	20,000	\$0.1200	\$2,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,400.00
EXCHANGE	TCO	Mar-01	21,000	\$0.0200	\$420.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$420.00
EXCHANGE	TCO	Mar-01	11,500	\$0.0300	\$345.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$345.00
SALE	WG&L	Mar-01	5,000	\$5.9800	\$29,900.00	\$25,852.50	\$0.00	\$0.00	\$0.00	\$25,852.50	\$4,047.50
SALE	WG&L	Mar-01	5,000	\$5.8500	\$29,250.00	\$25,852.50	\$0.00	\$0.00	\$0.00	\$25,852.50	\$3,397.50
SALE	WG&L	Mar-01	5,000	\$5.6300	\$28,150.00	\$25,852.50	\$0.00	\$0.00	\$0.00	\$25,852.50	\$2,297.50
SALE	WG&L	Mar-01	5,000	\$5.7000	\$28,500.00	\$25,852.50	\$0.00	\$0.00	\$0.00	\$25,852.50	\$2,647.50
SALE	WG&L	Mar-01	5,000	\$5.6300	\$28,150.00	\$25,852.50	\$0.00	\$0.00	\$0.00	\$25,852.50	\$2,297.50
SALE	TCO	Mar-01	20,000	\$5.3100	\$106,200.00	\$105,800.00	\$0.00	\$0.00	\$0.00	\$105,800.00	\$400.00
SALE	TCO	Mar-01	20,000	\$5.3100	\$106,200.00	\$105,800.00	\$0.00	\$0.00	\$0.00	\$105,800.00	\$400.00

Columbia Gas of Kentucky
Off-System Sales Transactions

CATEGORY (1)	DELIVERY PIPELINE (2)	COMPLETION MONTH (3)	VOLUME (4)	PRICE (5)	REVENUE (6=4*5)	PURCHASE COST (7)	STORAGE COST (8)	TRANSPORT COST (9)	TAXES (10)	TOTAL COST (11=7+8+9+10)	GROSS MARGIN (12=6-11)
SALE	TCO	Mar-01	55,000	\$5.3400	\$293,700.00	\$290,950.00	\$0.00	\$0.00	\$0.00	\$290,950.00	\$2,750.00
SALE	TCO	Mar-01	50,000	\$5.5000	\$275,000.00	\$258,525.00	\$0.00	\$0.00	\$0.00	\$258,525.00	\$16,475.00
SALE	TCO	Mar-01	110,000	\$5.5000	\$605,000.00	\$568,755.00	\$0.00	\$0.00	\$0.00	\$568,755.00	\$36,245.00
SALE	TCO	Mar-01	90,000	\$5.5000	\$495,000.00	\$465,345.00	\$0.00	\$0.00	\$0.00	\$465,345.00	\$29,655.00
SALE	TCO	Mar-01	10,000	\$5.4000	\$54,000.00	\$52,900.00	\$0.00	\$0.00	\$0.00	\$52,900.00	\$1,100.00
SALE	TCO	Mar-01	15,000	\$5.3925	\$80,887.50	\$79,350.00	\$0.00	\$0.00	\$0.00	\$79,350.00	\$1,537.50
EXCHANGE	TCO	Mar-01	85,000	\$0.0500	\$4,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,250.00
MANAGEMENT FEE	TENN	Mar-01			\$2,613.75					\$0.00	\$2,613.75
SALE OPTION	TCO	Mar-01	1,370,000	\$0.1975	\$270,575.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$270,575.00
SALE OPTION	TCO	Mar-01	1,370,000	\$0.2250	\$308,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$308,250.00
SALE	TCO	Apr-01	15,426	\$5.6400	\$87,002.64	\$85,280.00	\$0.00	\$877.58	\$0.00	\$86,157.58	\$845.06
SALE	TCO	Apr-01	38,568	\$5.5250	\$213,088.20	\$210,000.00	\$0.00	\$2,194.16	\$0.00	\$212,194.16	\$894.04
SALE	TCO	Apr-01	3,856	\$5.7700	\$22,249.12	\$21,700.00	\$0.00	\$219.42	\$0.00	\$21,919.42	\$329.70
SALE	TCO	Apr-01	28,926	\$5.3000	\$153,307.80	\$150,000.00	\$0.00	\$1,645.62	\$0.00	\$151,645.62	\$1,662.18
SALE	TCO	Apr-01	19,284	\$5.5675	\$107,363.67	\$104,800.00	\$0.00	\$1,097.08	\$0.00	\$105,897.08	\$1,466.59
SALE	TCO	Apr-01	4,821	\$5.5750	\$26,877.08	\$26,275.00	\$0.00	\$274.27	\$0.00	\$26,549.27	\$327.81
SALE	TCO	Apr-01	4,821	\$5.6000	\$26,997.60	\$26,375.00	\$0.00	\$274.27	\$0.00	\$26,649.27	\$348.33
SALE	TCO	Apr-01	250,692	\$5.4500	\$1,366,271.40	\$1,336,400.00	\$0.00	\$14,262.02	\$0.00	\$1,350,662.02	\$15,609.38
SALE	TCO	Apr-01	18,320	\$5.4700	\$100,210.40	\$98,420.00	\$0.00	\$1,042.22	\$0.00	\$99,462.22	\$748.18
SALE	TCO	Apr-01	9,642	\$5.5800	\$53,802.36	\$52,700.00	\$0.00	\$548.54	\$0.00	\$53,248.54	\$553.82
SALE	TCO	Apr-01	77,136	\$5.6100	\$432,732.96	\$426,200.00	\$0.00	\$4,388.31	\$0.00	\$430,588.31	\$2,144.65
SALE	TCO	Apr-01	19,284	\$5.8100	\$112,040.04	\$109,600.00	\$0.00	\$1,097.08	\$0.00	\$110,697.08	\$1,342.96
SALE	TCO	Apr-01	19,284	\$5.7400	\$110,690.16	\$108,200.00	\$0.00	\$1,097.08	\$0.00	\$109,297.08	\$1,393.08
SALE	TCO	Apr-01	19,284	\$5.5550	\$107,122.62	\$104,400.00	\$0.00	\$1,097.08	\$0.00	\$105,497.08	\$1,625.54
SALE	TCO	Apr-01	19,284	\$5.4200	\$104,519.28	\$102,000.00	\$0.00	\$1,097.08	\$0.00	\$103,097.08	\$1,422.20
SALE	TCO	Apr-01	57,852	\$5.3300	\$308,351.16	\$300,000.00	\$0.00	\$3,291.23	\$0.00	\$303,291.23	\$5,059.93
SALE	TCO	Apr-01	19,284	\$5.3600	\$103,362.24	\$101,000.00	\$0.00	\$1,097.08	\$0.00	\$102,097.08	\$1,265.16
SALE	TCO	Apr-01	9,642	\$5.4500	\$52,548.90	\$51,100.00	\$0.00	\$548.54	\$0.00	\$51,648.54	\$900.36
MANAGEMENT FEE	TENN	Apr-01			\$2,613.75						\$2,613.75
SALE OPTION	TCO	Apr-01	300,000	\$0.0800	\$24,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,000.00
EXCHANGE	TCO	May-01	310,000	\$0.3000	\$93,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,000.00
EXCHANGE	TCO	May-01	310,000	\$0.3500	\$108,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108,500.00
EXCHANGE	CGT LAT	May-01	310,000	\$0.3500	\$108,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108,500.00
EXCHANGE	CGT LAT	May-01	310,000	\$0.4050	\$125,550.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$125,550.00
EXCHANGE	TCO	May-01	310,000	\$0.3800	\$117,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$117,800.00
EXCHANGE	TCO	May-01	310,000	\$0.4350	\$134,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$134,850.00
SALE	CGT LAT	May-01	310,000	\$4.9000	\$1,519,000.00	\$1,513,575.00	\$0.00	\$0.00	\$0.00	\$1,513,575.00	\$5,425.00
SALE	TCO	May-01	620,000	\$5.1400	\$3,186,800.00	\$3,177,500.00	\$0.00	\$0.00	\$0.00	\$3,177,500.00	\$9,300.00
SALE	TCO	May-01	310,000	\$5.1400	\$1,593,400.00	\$1,588,750.00	\$0.00	\$0.00	\$0.00	\$1,588,750.00	\$4,650.00
SALE	CGT LAT	May-01	310,000	\$4.9000	\$1,519,000.00	\$1,513,575.00	\$0.00	\$0.00	\$0.00	\$1,513,575.00	\$5,425.00
EXCHANGE	CGT LAT	May-01	28,000	\$0.0100	\$280.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280.00
EXCHANGE	CGT LAT	May-01	28,000	\$0.0500	\$1,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,400.00
EXCHANGE	CGT LAT	May-01	28,000	\$0.0250	\$700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$700.00
SALE	CGT LAT	May-01	310,000	\$4.8825	\$1,513,575.00	\$1,480,560.00	\$0.00	\$0.00	\$0.00	\$1,480,560.00	\$33,015.00
SALE	TCO	May-01	620,000	\$5.1250	\$3,177,500.00	\$3,106,262.00	\$0.00	\$0.00	\$0.00	\$3,106,262.00	\$71,238.00
SALE	CGT LAT	May-01	217,000	\$4.8775	\$1,058,417.50	\$1,036,392.00	\$0.00	\$0.00	\$0.00	\$1,036,392.00	\$22,025.50
SALE	TCO	May-01	620,000	\$5.1225	\$3,175,950.00	\$3,106,262.00	\$0.00	\$0.00	\$0.00	\$3,106,262.00	\$69,688.00
SALE	TCO	May-01	4,821	\$4.9900	\$24,056.79	\$23,450.00	\$0.00	\$274.27	\$0.00	\$23,724.27	\$332.52
SALE	TCO	May-01	5,000	\$4.9850	\$24,925.00	\$24,296.41	\$0.00	\$284.47	\$0.00	\$24,580.88	\$344.12
SALE	TCO	May-01	5,000	\$5.0200	\$25,100.00	\$24,426.06	\$0.00	\$284.47	\$0.00	\$24,710.53	\$389.47
SALE	TCO	May-01	9,642	\$4.9800	\$48,017.16	\$46,850.00	\$0.00	\$548.54	\$0.00	\$47,398.54	\$618.62
SALE	TCO	May-01	19,284	\$4.7700	\$91,984.68	\$90,400.00	\$0.00	\$1,097.08	\$0.00	\$91,497.08	\$487.60
SALE	TCO	May-01	19,284	\$4.7600	\$91,791.84	\$89,700.00	\$0.00	\$1,097.08	\$0.00	\$90,797.08	\$994.76
SALE	TCO	May-01	5,303	\$4.7725	\$25,308.57	\$24,750.00	\$0.00	\$301.70	\$0.00	\$25,051.70	\$256.87
SALE	TCO	May-01	4,821	\$4.7000	\$22,658.70	\$22,150.00	\$0.00	\$274.27	\$0.00	\$22,424.27	\$234.43
SALE	TCO	May-01	9,642	\$4.7000	\$45,317.40	\$44,300.00	\$0.00	\$548.54	\$0.00	\$44,848.54	\$468.86
SALE	TCO	May-01	9,642	\$4.6700	\$45,028.14	\$44,000.00	\$0.00	\$548.54	\$0.00	\$44,548.54	\$479.60
SALE	TCO	May-01	43,389	\$4.7100	\$204,362.19	\$199,800.00	\$0.00	\$2,468.43	\$0.00	\$202,268.43	\$2,093.76
SALE	TCO	May-01	28,926	\$4.7150	\$136,386.09	\$133,200.00	\$0.00	\$1,645.62	\$0.00	\$134,845.62	\$1,540.47
SALE	TCO	May-01	9,642	\$4.6050	\$44,401.41	\$43,300.00	\$0.00	\$548.54	\$0.00	\$43,848.54	\$552.87
SALE	TCO	May-01	14,463	\$4.5200	\$65,372.76	\$63,750.00	\$0.00	\$822.81	\$0.00	\$64,572.81	\$799.95
SALE	TCO	May-01	14,463	\$4.4600	\$64,504.98	\$62,850.00	\$0.00	\$822.81	\$0.00	\$63,672.81	\$832.17
SALE	TCO	May-01	9,642	\$4.4300	\$42,714.06	\$41,600.00	\$0.00	\$548.54	\$0.00	\$42,148.54	\$565.52
SALE	TCO	May-01	14,463	\$4.4500	\$64,360.35	\$62,700.00	\$0.00	\$822.81	\$0.00	\$63,522.81	\$837.54
SALE	TCO	May-01	9,642	\$4.3650	\$42,087.33	\$41,300.00	\$0.00	\$548.54	\$0.00	\$41,848.54	\$238.79
SALE	TCO	May-01	24,105	\$4.3700	\$105,338.85	\$103,250.00	\$0.00	\$1,371.35	\$0.00	\$104,621.35	\$717.50
SALE	TCO	May-01	675	\$4.4250	\$2,986.88	\$2,936.50	\$0.00	\$38.40	\$0.00	\$2,974.90	\$11.98
SALE	TCO	May-01	28,926	\$4.5150	\$130,600.89	\$127,950.00	\$0.00	\$1,645.62	\$0.00	\$129,595.62	\$1,005.27
SALE	TCO	May-01	14,463	\$4.4450	\$64,288.04	\$62,625.00	\$0.00	\$822.81	\$0.00	\$63,447.81	\$840.23
SALE	TCO	May-01	28,926	\$4.4450	\$128,576.07	\$126,300.00	\$0.00	\$1,645.62	\$0.00	\$127,945.62	\$630.45
SALE	TCO	May-01	14,463	\$4.5000	\$65,083.50	\$63,450.00	\$0.00	\$822.81	\$0.00	\$64,272.81	\$810.69
SALE	TCO	May-01	5,500	\$4.4500	\$24,475.00	\$24,070.88	\$0.00	\$312.89	\$0.00	\$24,383.77	\$91.23
SALE	TCO	May-01	4,821	\$4.6600	\$22,465.86	\$22,000.00	\$0.00	\$274.27	\$0.00	\$22,274.27	\$191.59
SALE	TCO	May-01	9,642	\$4.6700	\$45,028.14	\$44,200.00	\$0.00	\$548.54	\$0.00	\$44,748.54	\$279.60
SALE	TCO	May-01	9,642	\$4.6750	\$45,076.35	\$44,250.00	\$0.00	\$548.54	\$0.00	\$44,798.54	\$277.81
SALE	TCO	May-01	21,888	\$4.6700	\$102,216.96	\$100,788.00	\$0.00	\$1,245.18	\$0.00	\$102,033.18	\$183.78
SALE	TCO	May-01	72,315	\$4.3600	\$315,293.40	\$307,500.00	\$0.00	\$4,114.04	\$0.00	\$311,614.04	\$3,679.36
SALE	TCO	May-01	14,463	\$4.3500	\$62,914.05	\$61,500.00	\$0.00	\$822.81	\$0.00	\$62,322.81	\$591.24
SALE	TCO	May-01	10,000	\$4.3550	\$43,550.00	\$42,624.81	\$0.00	\$568.89	\$0.00	\$43,193.70	\$356.30
SALE	TCO	May-01	24,105	\$4.2500	\$102,446.25	\$100,000.00	\$0.00	\$1,371.35	\$0.00	\$101,371.35	\$1,074.90
SALE	TCO	May-01	24,000	\$4.2900	\$102,960.00	\$100,621.87	\$0.00	\$1,365.37	\$0.00	\$101,987.24	\$972.76
SALE	TCO	May-01	482	\$4.3150	\$2,079.83	\$2,042.50	\$0.00	\$27.43	\$0.00	\$2,069.93	\$9.90
SALE	TCO	May-01	4,821	\$4.3600	\$21,019.56	\$20,500.00	\$0.00	\$274.27	\$0.00	\$20,774.27	\$245.29
SALE	TCO	May-01	9,642	\$4.3550	\$41,990.91	\$40,700.00	\$0.00	\$548.54	\$0.00	\$41,248.54	\$742.37
SALE	TCO	May-01	9,642	\$4.3600	\$42,039.12	\$40,970.90	\$0.00	\$548.48	\$0.00	\$41,519.38	\$519.73
EXCHANGE	TCO	May-01	72,000	\$0.2375	\$17,100.00	\$0.00	\$0.00	\$16,855.20	\$0.00	\$16,855.20	\$244.80
SALE	TCO	May-01	10,000	\$3.8900	\$38,900.00	\$37,594.88	\$0.00	\$568.89	\$0.00	\$38,163.76	\$736.24
MANAGEMENT FEE	TENN	May-01			\$2,613.75						\$2,613.75
MANAGEMENT FEE	TENN	May-01			\$335.77						\$335.77
MANAGEMENT FEE	TENN	May-01			\$3,829.85						\$3,829.85
MANAGEMENT FEE	TENN	May-01			\$3,605.99						\$3,605.99

Columbia Gas of Kentucky
Off-System Sales Transactions

CATEGORY (1)	DELIVERY PIPELINE (2)	COMPLETION MONTH (3)	VOLUME (4)	PRICE (5)	REVENUE (6=4*5)	PURCHASE COST (7)	STORAGE COST (8)	TRANSPORT COST (9)	TAXES (10)	TOTAL COST (11=7+8+9+10)	GROSS MARGIN (12=6-11)
SALE OPTION	TCO	May-01	310,000	\$0.0800	\$24,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,800.00
EXCHANGE	TCO	Jun-01	210,000	\$0.1900	\$39,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$39,900.00
EXCHANGE	TCO	Jun-01	155,000	\$0.2100	\$32,550.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,550.00
EXCHANGE	TCO	Jun-01	300,000	\$0.3500	\$105,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105,000.00
EXCHANGE	CGT LAT	Jun-01	300,000	\$0.3500	\$105,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105,000.00
EXCHANGE	CGT LAT	Jun-01	300,000	\$0.4050	\$121,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$121,500.00
EXCHANGE	TCO	Jun-01	300,000	\$0.4350	\$130,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$130,500.00
EXCHANGE	TCO	Jun-01	300,000	\$0.8800	\$264,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,000.00
EXCHANGE	TCO	Jun-01	15,000	\$1.0600	\$15,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,900.00
EXCHANGE	TCO	Jun-01	30,000	\$1.0000	\$30,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,000.00
EXCHANGE	TCO	Jun-01	30,000	\$0.9100	\$27,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,300.00
EXCHANGE	TCO	Jun-01	30,000	\$1.0700	\$32,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,100.00
EXCHANGE	TCO	Jun-01	20,000	\$1.1600	\$23,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,200.00
EXCHANGE	TCO	Jun-01	30,000	\$1.2400	\$37,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,200.00
EXCHANGE	TCO	Jun-01	30,000	\$1.2400	\$37,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,200.00
EXCHANGE	TCO	Jun-01	30,000	\$1.2350	\$37,050.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,050.00
EXCHANGE	TCO	Jun-01	30,000	\$1.0900	\$32,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,700.00
SALE	CGT LAT	Jun-01	300,000	\$3.7400	\$1,122,000.00	\$1,116,750.00	\$0.00	\$0.00	\$0.00	\$1,116,750.00	\$5,250.00
SALE	TCO	Jun-01	900,000	\$3.9500	\$3,555,000.00	\$3,539,250.00	\$0.00	\$0.00	\$0.00	\$3,539,250.00	\$15,750.00
SALE	TCO	Jun-01	530,000	\$3.9500	\$2,093,500.00	\$2,084,225.00	\$0.00	\$0.00	\$0.00	\$2,084,225.00	\$9,275.00
SALE	CGT LAT	Jun-01	300,000	\$3.7400	\$1,122,000.00	\$1,116,750.00	\$0.00	\$0.00	\$0.00	\$1,116,750.00	\$5,250.00
SALE	TCO	Jun-01	80,000	\$3.9500	\$316,000.00	\$314,600.00	\$0.00	\$0.00	\$0.00	\$314,600.00	\$1,400.00
EXCHANGE	CGT LAT	Jun-01	28,000	\$0.0100	\$280.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280.00
EXCHANGE	TCO	Jun-01	300,000	\$0.0800	\$24,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,000.00
SALE	TCO	Jun-01	1,200,000	\$3.9325	\$4,719,000.00	\$4,632,480.00	\$0.00	\$0.00	\$0.00	\$4,632,480.00	\$86,520.00
SALE	CGT LAT	Jun-01	570,000	\$3.7175	\$2,118,975.00	\$2,090,418.00	\$0.00	\$0.00	\$0.00	\$2,090,418.00	\$28,557.00
SALE	TCO	Jun-01	24,105	\$3.8420	\$92,611.41	\$90,850.00	\$0.00	\$1,371.35	\$0.00	\$92,021.35	\$590.06
SALE	TCO	Jun-01	13,884	\$3.8050	\$52,828.62	\$51,948.00	\$0.00	\$789.90	\$0.00	\$52,737.90	\$90.72
SALE	TCO	Jun-01	17,067	\$3.7700	\$64,342.59	\$63,012.00	\$0.00	\$970.91	\$0.00	\$63,982.91	\$359.68
SALE	TCO	Jun-01	9,642	\$4.0250	\$38,809.05	\$38,050.00	\$0.00	\$548.54	\$0.00	\$38,598.54	\$210.51
SALE	TCO	Jun-01	20,000	\$4.1500	\$83,000.00	\$77,208.00	\$0.00	\$0.00	\$0.00	\$77,208.00	\$5,792.00
EXCHANGE	CGT LAT	Jun-01	17,000	\$0.0150	\$255.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$255.00
SALE	TCO	Jun-01	120,000	\$4.1500	\$498,000.00	\$463,248.00	\$0.00	\$0.00	\$0.00	\$463,248.00	\$34,752.00
SALE	TCO	Jun-01	5,000	\$4.0450	\$20,225.00	\$19,302.00	\$0.00	\$0.00	\$0.00	\$19,302.00	\$923.00
SALE	TCO	Jun-01	45,000	\$4.0450	\$182,025.00	\$173,700.00	\$0.00	\$0.00	\$0.00	\$173,700.00	\$8,325.00
MANAGEMENT FEE	TENN	Jun-01			\$2,613.75						\$2,613.75
SALE OPTION	TCO	Jun-01	300,000	\$0.0800	\$24,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,000.00
EXCHANGE	CGT LAT	Jul-01	310,000	\$0.3500	\$108,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108,500.00
EXCHANGE	CGT LAT	Jul-01	310,000	\$0.4050	\$125,550.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$125,550.00
EXCHANGE	TCO	Jul-01	310,000	\$0.4350	\$134,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$134,850.00
EXCHANGE	TCO	Jul-01	310,000	\$0.8800	\$272,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$272,800.00
EXCHANGE	TCO	Jul-01	310,000	\$1.1000	\$341,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$341,000.00
SALE	CGT LAT	Jul-01	310,000	\$3.1800	\$985,800.00	\$977,275.00	\$0.00	\$0.00	\$0.00	\$977,275.00	\$8,525.00
SALE	TCO	Jul-01	310,000	\$3.3600	\$1,041,600.00	\$1,030,750.00	\$0.00	\$0.00	\$0.00	\$1,030,750.00	\$10,850.00
SALE	TCO	Jul-01	310,000	\$3.3600	\$1,041,600.00	\$1,030,750.00	\$0.00	\$0.00	\$0.00	\$1,030,750.00	\$10,850.00
SALE	CGT LAT	Jul-01	310,000	\$3.1800	\$985,800.00	\$977,275.00	\$0.00	\$0.00	\$0.00	\$977,275.00	\$8,525.00
EXCHANGE	CGT LAT	Jul-01	28,000	\$0.0224	\$627.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$627.20
EXCHANGE	CGT LAT	Jul-01	84,000	\$0.0100	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$840.00
EXCHANGE	CGT LAT	Jul-01	28,000	\$0.0100	\$280.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280.00
EXCHANGE	CGT LAT	Jul-01	28,000	\$0.0248	\$694.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$694.40
EXCHANGE	CGT LAT	Jul-01	28,000	\$0.0400	\$1,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,120.00
EXCHANGE	CGT LAT	Jul-01	84,000	\$0.0400	\$3,360.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,360.00
EXCHANGE	CGT LAT	Jul-01	28,000	\$0.0400	\$1,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,120.00
EXCHANGE	CGT LAT	Jul-01	28,000	\$0.0400	\$1,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,120.00
EXCHANGE	CGT LAT	Jul-01	84,000	\$0.0300	\$2,520.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,520.00
SALE	TCO	Jul-01	310,000	\$3.3375	\$1,034,625.00	\$1,013,204.00	\$0.00	\$0.00	\$0.00	\$1,013,204.00	\$21,421.00
SALE	TCO	Jul-01	155,000	\$3.3375	\$517,312.50	\$506,602.00	\$0.00	\$0.00	\$0.00	\$506,602.00	\$10,710.50
SALE	CGT LAT	Jul-01	620,000	\$3.1525	\$1,954,550.00	\$1,919,892.00	\$0.00	\$0.00	\$0.00	\$1,919,892.00	\$34,658.00
SALE	TCO	Jul-01	155,000	\$3.3350	\$516,925.00	\$506,602.00	\$0.00	\$0.00	\$0.00	\$506,602.00	\$10,323.00
SALE	CGT LAT	Jul-01	310,000	\$3.1525	\$977,275.00	\$959,946.00	\$0.00	\$0.00	\$0.00	\$959,946.00	\$17,329.00
SALE	TCO	Jul-01	620,000	\$3.3325	\$2,066,150.00	\$2,026,408.00	\$0.00	\$0.00	\$0.00	\$2,026,408.00	\$39,742.00
EXCHANGE	CGT LAT	Jul-01	2,893	\$0.1000	\$289.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$289.30
SALE	TCO	Jul-01	14,000	\$3.3550	\$46,970.00	\$45,757.60	\$0.00	\$0.00	\$0.00	\$45,757.60	\$1,212.40
SALE	TCO	Jul-01	105,000	\$3.2850	\$344,925.00	\$343,182.00	\$0.00	\$0.00	\$0.00	\$343,182.00	\$1,743.00
SALE	TCO	Jul-01	310,000	\$3.3500	\$1,038,500.00	\$1,013,204.00	\$0.00	\$0.00	\$0.00	\$1,013,204.00	\$25,296.00
EXCHANGE	TCO	Jul-01	38,000	\$0.0200	\$760.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$760.00
EXCHANGE	TCO	Jul-01	19,000	\$0.0450	\$855.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$855.00
EXCHANGE	TCO	Jul-01	27,000	\$0.0200	\$540.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$540.00
EXCHANGE	TCO	Jul-01	27,000	\$0.0250	\$675.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$675.00
SALE	TCO	Jul-01	10,000	\$3.3250	\$33,250.00	\$32,684.00	\$0.00	\$0.00	\$0.00	\$32,684.00	\$566.00
SALE	TCO	Jul-01	20,000	\$3.3150	\$66,300.00	\$65,368.00	\$0.00	\$0.00	\$0.00	\$65,368.00	\$932.00
SALE	TCO	Jul-01	10,000	\$3.3350	\$33,350.00	\$32,684.00	\$0.00	\$0.00	\$0.00	\$32,684.00	\$666.00
MANAGEMENT FEE	TENN	Jul-01			\$2,613.75						\$2,613.75
SALE	TCO	Jul-01	10,000	\$3.3700	\$33,700.00	\$32,684.00	\$0.00	\$0.00	\$0.00	\$32,684.00	\$1,016.00
SALE	TCO	Jul-01	10,000	\$3.3950	\$33,950.00	\$32,684.00	\$0.00	\$0.00	\$0.00	\$32,684.00	\$1,266.00
SALE	TCO	Jul-01	20,000	\$3.3800	\$67,600.00	\$65,368.00	\$0.00	\$0.00	\$0.00	\$65,368.00	\$2,232.00
SALE	TCO	Jul-01	30,000	\$3.3650	\$100,950.00	\$98,052.00	\$0.00	\$0.00	\$0.00	\$98,052.00	\$2,898.00
SALE	TCO	Jul-01	10,000	\$3.3650	\$33,650.00	\$32,684.00	\$0.00	\$0.00	\$0.00	\$32,684.00	\$966.00
SALE	TCO	Jul-01	10,000	\$3.3800	\$33,800.00	\$32,684.00	\$0.00	\$0.00	\$0.00	\$32,684.00	\$1,116.00
SALE	TCO	Jul-01	3,900	\$3.4350	\$13,396.50	\$12,746.76	\$0.00	\$0.00	\$0.00	\$12,746.76	\$649.74
SALE	TCO	Jul-01	15,000	\$3.4400	\$51,600.00	\$49,026.00	\$0.00	\$0.00	\$0.00	\$49,026.00	\$2,574.00
SALE	TCO	Jul-01	20,000	\$3.3950	\$67,900.00	\$65,368.00	\$0.00	\$0.00	\$0.00	\$65,368.00	\$2,532.00
SALE OPTION	TCO	Jul-01	310,000	\$0.0800	\$24,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,800.00
EXCHANGE	TCO	Aug-01	120,000	\$0.1500	\$18,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,000.00
EXCHANGE	CGT LAT	Aug-01	310,000	\$0.3500	\$108,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108,500.00
EXCHANGE	CGT LAT	Aug-01	310,000	\$0.3500	\$108,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108,500.00
EXCHANGE	CGT LAT	Aug-01	310,000	\$0.4050	\$125,550.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$125,550.00
EXCHANGE	TCO	Aug-01	310,000	\$0.4350	\$134,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$134,850.00
EXCHANGE	TCO	Aug-01	310,000	\$0.8800	\$272,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$272,800.00
SALE	CGT LAT	Aug-01	620,000	\$3.1800	\$1,971,600.00	\$1,953,000.00	\$0.00	\$0.00	\$0.00	\$1,953,000.00	\$18,600.00
SALE	TCO	Aug-01	430,000	\$3.3700	\$1,449,100.00	\$1,439,425.00	\$0.00	\$0.00	\$0.00	\$1,439,425.00	\$9,675.00

Columbia Gas of Kentucky
Off-System Sales Transactions

CATEGORY (1)	DELIVERY PIPELINE (2)	COMPLETION MONTH (3)	VOLUME (4)	PRICE (5)	REVENUE (6=4*5)	PURCHASE COST (7)	STORAGE COST (8)	TRANSPORT COST (9)	TAXES (10)	TOTAL COST (11=7+8+9+10)	GROSS MARGIN (12=6-11)
SALE	TCO	Aug-01	310,000	\$3.3700	\$1,044,700.00	\$1,037,725.00	\$0.00	\$0.00	\$0.00	\$1,037,725.00	\$6,975.00
SALE	CGT LAT	Aug-01	310,000	\$3.1800	\$985,800.00	\$974,950.00	\$0.00	\$0.00	\$0.00	\$974,950.00	\$10,850.00
EXCHANGE	TCO	Aug-01	15,500	\$0.7200	\$11,160.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,160.00
EXCHANGE	TCO	Aug-01	10,000	\$0.7700	\$7,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,700.00
EXCHANGE	TCO	Aug-01	10,000	\$0.6500	\$6,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,500.00
EXCHANGE	TCO	Aug-01	10,000	\$0.7100	\$7,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,100.00
EXCHANGE	CGT LAT	Aug-01	66,000	\$0.0800	\$5,280.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,280.00
EXCHANGE	CGT LAT	Aug-01	28,000	\$0.0300	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$840.00
EXCHANGE	CGT LAT	Aug-01	28,000	\$0.0100	\$280.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280.00
EXCHANGE	CGT LAT	Aug-01	28,000	\$0.0100	\$280.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280.00
EXCHANGE	CGT LAT	Aug-01	468,000	\$0.1600	\$74,880.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$74,880.00
EXCHANGE	CGT LAT	Aug-01	310,000	\$0.0550	\$17,050.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,050.00
SALE	TCO	Aug-01	7,500	\$2.7300	\$20,475.00	\$19,833.90	\$0.00	\$426.65	\$0.00	\$20,260.55	\$214.45
SALE	TCO	Aug-01	7,500	\$2.7200	\$20,400.00	\$19,795.01	\$0.00	\$426.65	\$0.00	\$20,221.66	\$178.34
SALE	TCO	Aug-01	7,500	\$2.6350	\$19,762.50	\$18,861.65	\$0.00	\$426.65	\$0.00	\$19,288.30	\$474.20
MANAGEMENT FEE	TENN	Aug-01			\$2,613.75						\$2,613.75
SALE OPTION	TCO	Aug-01	310,000	\$0.0800	\$24,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,800.00
SALE OPTION	TCO	Aug-01	1,530,000	\$0.1500	\$229,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$229,500.00
EXCHANGE	CGT LAT	Sep-01	300,000	\$0.3000	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00
EXCHANGE	CGT LAT	Sep-01	150,000	\$0.3000	\$45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,000.00
EXCHANGE	TCO	Sep-01	300,000	\$0.3000	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00
EXCHANGE	TCO	Sep-01	300,000	\$0.3500	\$105,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105,000.00
EXCHANGE	CGT LAT	Sep-01	300,000	\$0.3500	\$105,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105,000.00
EXCHANGE	CGT LAT	Sep-01	300,000	\$0.3500	\$105,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105,000.00
EXCHANGE	CGT LAT	Sep-01	300,000	\$0.4050	\$121,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$121,500.00
EXCHANGE	TCO	Sep-01	300,000	\$0.4350	\$130,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$130,500.00
EXCHANGE	TCO	Sep-01	300,000	\$0.8800	\$264,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,000.00
SALE	CGT LAT	Sep-01	450,000	\$2.3200	\$1,044,000.00	\$1,368,000.00	\$0.00	\$0.00	\$0.00	\$1,368,000.00	-\$324,000.00
SALE	CGT LAT	Sep-01	450,000	\$2.3200	\$1,044,000.00	\$684,000.00	\$0.00	\$0.00	\$0.00	\$684,000.00	\$360,000.00
SALE	TCO	Sep-01	600,000	\$2.4800	\$1,488,000.00	\$1,477,500.00	\$0.00	\$0.00	\$0.00	\$1,477,500.00	\$10,500.00
SALE	TCO	Sep-01	600,000	\$2.4800	\$1,488,000.00	\$1,477,500.00	\$0.00	\$0.00	\$0.00	\$1,477,500.00	\$10,500.00
SALE	CGT LAT	Sep-01	300,000	\$2.3200	\$696,000.00	\$684,000.00	\$0.00	\$0.00	\$0.00	\$684,000.00	\$12,000.00
EXCHANGE	CGT LAT	Sep-01	310,000	\$0.0600	\$18,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,600.00
EXCHANGE	TCO	Sep-01	310,000	\$0.0450	\$13,950.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,950.00
EXCHANGE	CGT LAT	Sep-01	310,000	\$0.0550	\$17,050.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,050.00
EXCHANGE	CGT LAT	Sep-01	150,000	\$0.0600	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,000.00
EXCHANGE	TCO	Sep-01	300,000	\$0.1000	\$30,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,000.00
EXCHANGE	TCO	Sep-01	150,000	\$0.0750	\$11,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,250.00
EXCHANGE	TCO	Sep-01	150,000	\$0.0700	\$10,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,500.00
SALE	TCO	Sep-01	7,500	\$2.5200	\$18,900.00	\$18,200.52	\$0.00	\$426.65	\$0.00	\$18,627.17	\$272.83
SALE	TCO	Sep-01	10,000	\$2.4750	\$24,750.00	\$23,919.00	\$0.00	\$0.00	\$0.00	\$23,919.00	\$831.00
SALE	TCO	Sep-01	48,000	\$2.4900	\$119,520.00	\$114,811.20	\$0.00	\$0.00	\$0.00	\$114,811.20	\$4,708.80
SALE	TCO	Sep-01	45,000	\$2.5000	\$112,500.00	\$107,635.50	\$0.00	\$0.00	\$0.00	\$107,635.50	\$4,864.50
EXCHANGE	TCO	Sep-01	23,000	\$0.0250	\$575.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575.00
SALE	TCO	Sep-01	10,000	\$2.5500	\$25,500.00	\$23,919.00	\$0.00	\$0.00	\$0.00	\$23,919.00	\$1,581.00
SALE	TCO	Sep-01	10,000	\$2.5400	\$25,400.00	\$23,919.00	\$0.00	\$0.00	\$0.00	\$23,919.00	\$1,481.00
SALE	TCO	Sep-01	6,749	\$2.2200	\$14,982.78	\$13,370.00	\$0.00	\$383.98	\$0.00	\$13,753.98	\$1,228.80
MANAGEMENT FEE	TENN	Sep-01			\$2,613.75						\$2,613.75
SALE	TCO	Sep-01	7,107	\$2.2150	\$15,742.01	\$14,004.90	\$0.00	\$404.33	\$0.00	\$14,409.23	\$1,332.78
SALE	TCO	Sep-01	23,142	\$2.2000	\$50,912.40	\$44,160.00	\$0.00	\$1,316.49	\$0.00	\$45,476.49	\$5,435.91
EXCHANGE	CGT LAT	Oct-01	155,000	\$0.3000	\$46,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,500.00
EXCHANGE	CGT LAT	Oct-01	310,000	\$0.3500	\$108,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108,500.00
EXCHANGE	CGT LAT	Oct-01	310,000	\$0.3500	\$108,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108,500.00
EXCHANGE	CGT LAT	Oct-01	310,000	\$0.4050	\$125,550.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$125,550.00
EXCHANGE	TCO	Oct-01	310,000	\$0.4350	\$134,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$134,850.00
EXCHANGE	TCO	Oct-01	310,000	\$0.8800	\$272,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$272,800.00
SALE	CGT LAT	Oct-01	620,000	\$1.8300	\$1,134,600.00	\$1,109,800.00	\$0.00	\$0.00	\$0.00	\$1,109,800.00	\$24,800.00
SALE	TCO	Oct-01	310,000	\$2.0700	\$641,700.00	\$636,275.00	\$0.00	\$0.00	\$0.00	\$636,275.00	\$5,425.00
SALE	TCO	Oct-01	310,000	\$2.0700	\$641,700.00	\$636,275.00	\$0.00	\$0.00	\$0.00	\$636,275.00	\$5,425.00
SALE	CGT LAT	Oct-01	310,000	\$1.8300	\$567,300.00	\$554,900.00	\$0.00	\$0.00	\$0.00	\$554,900.00	\$12,400.00
EXCHANGE	TCO	Oct-01	310,000	\$2.1000	\$651,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$651,000.00
EXCHANGE	CGT LAT	Oct-01	310,000	\$0.0225	\$6,975.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,975.00
EXCHANGE	CGT LAT	Oct-01	310,000	\$0.0200	\$6,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,200.00
EXCHANGE	TCO	Oct-01	310,000	\$0.1500	\$46,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,500.00
EXCHANGE	TCO	Oct-01	310,000	\$0.1200	\$37,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,200.00
EXCHANGE	TCO	Oct-01	310,000	\$0.1250	\$38,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38,750.00
SALE	TCO	Oct-01	9,642	\$2.1250	\$20,489.25	\$19,700.00	\$0.00	\$547.57	\$0.00	\$20,247.57	\$241.68
SALE	TCO	Oct-01	9,642	\$2.2850	\$22,031.97	\$20,300.00	\$0.00	\$547.57	\$0.00	\$20,847.57	\$1,184.40
SALE	TCO	Oct-01	1,928	\$2.3200	\$4,472.96	\$4,060.00	\$0.00	\$109.51	\$0.00	\$4,169.51	\$303.45
SALE	TCO	Oct-01	9,642	\$2.2700	\$21,887.34	\$20,550.00	\$0.00	\$547.57	\$0.00	\$21,097.57	\$789.77
EXCHANGE	TCO	Oct-01	45,000	\$0.1100	\$4,950.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,950.00
SALE	TCO	Oct-01	9,642	\$2.3400	\$22,562.28	\$21,850.00	\$0.00	\$547.57	\$0.00	\$22,397.57	\$164.71
SALE	TCO	Oct-01	15,000	\$2.8100	\$42,150.00	\$29,331.00	\$0.00	\$0.00	\$0.00	\$29,331.00	\$12,819.00
SALE	TCO	Oct-01	5,000	\$2.8550	\$14,275.00	\$9,777.00	\$0.00	\$0.00	\$0.00	\$9,777.00	\$4,498.00
SALE	TCO	Oct-01	10,000	\$2.8600	\$28,600.00	\$19,554.00	\$0.00	\$0.00	\$0.00	\$19,554.00	\$9,046.00
SALE	TCO	Oct-01	9,642	\$2.5350	\$24,442.47	\$23,650.00	\$0.00	\$547.57	\$0.00	\$24,197.57	\$244.90
SALE	TCO	Oct-01	9,642	\$2.8150	\$27,142.23	\$26,300.00	\$0.00	\$547.57	\$0.00	\$26,847.57	\$294.66
SALE	TCO	Oct-01	1,928	\$2.8200	\$5,436.96	\$5,230.00	\$0.00	\$109.51	\$0.00	\$5,339.51	\$97.45
SALE	TCO	Oct-01	10,000	\$3.4850	\$34,850.00	\$32,590.87	\$0.00	\$567.89	\$0.00	\$33,158.76	\$1,691.24
SALE	TCO	Oct-01	34,713	\$3.4200	\$118,718.46	\$110,340.00	\$0.00	\$1,971.27	\$0.00	\$112,311.27	\$6,407.19
SALE	TCO	Oct-01	15,000	\$3.6500	\$54,750.00	\$29,331.00	\$0.00	\$0.00	\$0.00	\$29,331.00	\$25,419.00
SALE	TCO	Oct-01	464	\$3.3750	\$1,566.00	\$907.31	\$0.00	\$0.00	\$0.00	\$907.31	\$658.69
SALE	TCO	Oct-01	30,000	\$3.3500	\$100,500.00	\$58,662.00	\$0.00	\$0.00	\$0.00	\$58,662.00	\$41,838.00
MANAGEMENT FEE	TENN	Oct-01			\$2,613.75						\$2,613.75
EXCHANGE	TCO	Nov-01	300,000	\$0.4600	\$138,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$138,000.00
SALE	TCO	Nov-01	300,000	\$3.3900	\$1,017,000.00	\$1,011,750.00	\$0.00	\$0.00	\$0.00	\$1,011,750.00	\$5,250.00
SALE	TCO	Nov-01	289,260	\$3.4020	\$984,062.52	\$953,850.00	\$0.00	\$16,427.25	\$0.00	\$970,277.25	\$13,785.27
EXCHANGE	TCO	Nov-01	72,000	\$0.0600	\$4,320.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,320.00
MANAGEMENT FEE	TENN	Nov-01			\$8,276.83						\$8,276.83
EXCHANGE	CGT LAT	Nov-01	10,000	\$0.0200	\$200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00
MANAGEMENT FEE	TFNN	Nov-01			\$3,605.99						\$3,605.99

Columbia Gas of Kentucky
Off-System Sales Transactions

CATEGORY (1)	DELIVERY PIPELINE (2)	COMPLETION MONTH (3)	VOLUME (4)	PRICE (5)	REVENUE (6=4*5)	PURCHASE COST (7)	STORAGE COST (8)	TRANSPORT COST (9)	TAXES (10)	TOTAL COST (11=7+8+9+10)	GROSS MARGIN (12=6-11)
MANAGEMENT FEE	TENN	Nov-01			\$192.83						\$192.83
MANAGEMENT FEE	TENN	Nov-01			\$3,832.01						\$3,832.01
MANAGEMENT FEE	TENN	Nov-01			\$5,366.86						\$5,366.86
MANAGEMENT FEE	TENN	Nov-01			\$4,683.33						\$4,683.33
MANAGEMENT FEE	TENN	Nov-01			\$5,998.10						\$5,998.10
EXCHANGE	TCO	Dec-01	62,000	\$0.5600	\$34,720.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,720.00
EXCHANGE	TCO	Dec-01	300,000	\$0.8000	\$240,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$240,000.00
EXCHANGE	TCO	Dec-01	500,000	\$0.0600	\$30,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,000.00
SALE	TCO	Dec-01	310,000	\$2.5200	\$781,200.00	\$753,176.00	\$0.00	\$0.00	\$0.00	\$753,176.00	\$28,024.00
SALE	TENN	Dec-01	8,800	\$2.4950	\$21,956.00	\$19,565.92	\$0.00	\$0.00	\$0.00	\$19,565.92	\$2,390.08
SALE	TENN	Dec-01	8,800	\$2.4000	\$21,120.00	\$19,565.92	\$0.00	\$0.00	\$0.00	\$19,565.92	\$1,554.08
SALE	TENN	Dec-01	8,800	\$2.3450	\$20,636.00	\$19,565.92	\$0.00	\$0.00	\$0.00	\$19,565.92	\$1,070.08
SALE	TENN	Dec-01	26,400	\$2.3850	\$62,964.00	\$58,697.76	\$0.00	\$0.00	\$0.00	\$58,697.76	\$4,266.24
SALE	CGT LAT	Dec-01	30,000	\$2.4300	\$72,900.00	\$68,637.00	\$0.00	\$0.00	\$0.00	\$68,637.00	\$4,263.00
SALE	TENN	Dec-01	8,800	\$2.4800	\$21,824.00	\$19,565.92	\$0.00	\$0.00	\$0.00	\$19,565.92	\$2,258.08
SALE	CGT LAT	Dec-01	10,000	\$2.5200	\$25,200.00	\$22,879.00	\$0.00	\$0.00	\$0.00	\$22,879.00	\$2,321.00
SALE	CGT MAIN	Dec-01	4,000	\$2.5550	\$10,220.00	\$9,362.40	\$0.00	\$0.00	\$0.00	\$9,362.40	\$857.60
SALE	CGT LAT	Dec-01	10,000	\$2.5100	\$25,100.00	\$22,879.00	\$0.00	\$0.00	\$0.00	\$22,879.00	\$2,221.00
SALE	TENN	Dec-01	8,800	\$2.5050	\$22,044.00	\$19,565.92	\$0.00	\$0.00	\$0.00	\$19,565.92	\$2,478.08
SALE	TCO	Dec-01	10,000	\$2.6850	\$26,850.00	\$24,296.00	\$0.00	\$0.00	\$0.00	\$24,296.00	\$2,554.00
SALE	CGT LAT	Dec-01	248,000	\$2.4500	\$607,600.00	\$567,399.20	\$0.00	\$0.00	\$0.00	\$567,399.20	\$40,200.80
SALE	TENN	Dec-01	44,000	\$2.5400	\$111,760.00	\$97,829.60	\$0.00	\$0.00	\$0.00	\$97,829.60	\$13,930.40
SALE	TCO	Dec-01	50,000	\$2.7450	\$137,250.00	\$121,480.00	\$0.00	\$0.00	\$0.00	\$121,480.00	\$15,770.00
SALE	TCO	Dec-01	10,000	\$3.0900	\$30,900.00	\$24,296.00	\$0.00	\$0.00	\$0.00	\$24,296.00	\$6,604.00
SALE	TCO	Dec-01	10,000	\$2.7750	\$27,750.00	\$24,296.00	\$0.00	\$0.00	\$0.00	\$24,296.00	\$3,454.00
SALE	TCO	Dec-01	15,000	\$2.7900	\$41,850.00	\$36,444.00	\$0.00	\$0.00	\$0.00	\$36,444.00	\$5,406.00
SALE	TCO	Dec-01	30,000	\$2.7150	\$81,450.00	\$72,888.00	\$0.00	\$0.00	\$0.00	\$72,888.00	\$8,562.00
SALE	TCO	Dec-01	30,000	\$2.7200	\$81,600.00	\$72,888.00	\$0.00	\$0.00	\$0.00	\$72,888.00	\$8,712.00
SALE	TCO	Dec-01	30,000	\$2.7150	\$81,450.00	\$72,888.00	\$0.00	\$0.00	\$0.00	\$72,888.00	\$8,562.00
SALE	TCO	Dec-01	30,000	\$2.7250	\$81,750.00	\$72,888.00	\$0.00	\$0.00	\$0.00	\$72,888.00	\$8,862.00
MANAGEMENT FEE	TENN	Dec-01			\$8,276.83						\$8,276.83
EXCHANGE	TCO	Jan-02	155,000	\$0.9700	\$150,350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,350.00
EXCHANGE	TCO	Jan-02	31,000	\$0.7800	\$24,180.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,180.00
EXCHANGE	TCO	Jan-02	62,000	\$0.7800	\$48,360.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,360.00
EXCHANGE	TCO	Jan-02	62,000	\$0.7700	\$47,740.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,740.00
EXCHANGE	TCO	Jan-02	93,000	\$0.7250	\$67,425.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$67,425.00
EXCHANGE	CGT LAT	Jan-02	248,000	\$0.2400	\$59,520.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,520.00
EXCHANGE	TCO	Jan-02	25,000	\$0.0500	\$1,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,250.00
MANAGEMENT FEE	TENN	Jan-02			\$8,276.83						\$8,276.83
EXCHANGE	TCO	Feb-02	25,714	\$0.1000	\$2,571.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,571.40
EXCHANGE	TCO	Feb-02	40,000	\$0.0450	\$1,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00
EXCHANGE	TCO	Feb-02	70,000	\$0.0575	\$4,025.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,025.00
SALE	TCO	Feb-02	9,000	\$2.2800	\$20,520.00	\$19,439.10	\$0.00	\$0.00	\$0.00	\$19,439.10	\$1,080.90
SALE	TCO	Feb-02	162,000	\$2.2500	\$364,500.00	\$349,903.80	\$0.00	\$0.00	\$0.00	\$349,903.80	\$14,596.20
EXCHANGE	TCO	Feb-02	7,900	\$0.0900	\$711.00	\$0.00	\$0.00	\$165.90	\$0.00	\$165.90	\$545.10
SALE	TCO	Feb-02	11,500	\$2.3400	\$26,910.00	\$24,838.85	\$0.00	\$0.00	\$0.00	\$24,838.85	\$2,071.15
EXCHANGE	TCO	Feb-02	7,000	\$0.0900	\$630.00	\$0.00	\$0.00	\$147.00	\$0.00	\$147.00	\$483.00
SALE	TCO	Feb-02	10,251	\$2.4000	\$24,602.40	\$22,141.13	\$0.00	\$0.00	\$0.00	\$22,141.13	\$2,461.27
SALE	TCO	Feb-02	10,251	\$2.6000	\$26,652.60	\$22,141.13	\$0.00	\$0.00	\$0.00	\$22,141.13	\$4,511.47
SALE	TCO	Feb-02	10,000	\$2.4000	\$24,000.00	\$22,351.00	\$0.00	\$0.00	\$0.00	\$22,351.00	\$1,649.00
SALE	TCO	Feb-02	10,000	\$2.2400	\$22,400.00	\$21,599.00	\$0.00	\$0.00	\$0.00	\$21,599.00	\$801.00
SALE	TCO	Feb-02	1,533	\$2.3500	\$3,602.55	\$3,311.13	\$0.00	\$0.00	\$0.00	\$3,311.13	\$291.42
SALE	TCO	Feb-02	210,000	\$2.2300	\$468,300.00	\$453,579.00	\$0.00	\$0.00	\$0.00	\$453,579.00	\$14,721.00
SALE	TCO	Feb-02	8,000	\$2.3800	\$19,040.00	\$17,880.80	\$0.00	\$0.00	\$0.00	\$17,880.80	\$1,159.20
SALE	TCO	Feb-02	1,400	\$2.3800	\$3,332.00	\$3,129.14	\$0.00	\$0.00	\$0.00	\$3,129.14	\$202.86
SALE	TCO	Feb-02	245	\$2.3800	\$583.10	\$547.60	\$0.00	\$0.00	\$0.00	\$547.60	\$35.50
SALE	TCO	Feb-02	600	\$2.3800	\$1,428.00	\$1,341.06	\$0.00	\$0.00	\$0.00	\$1,341.06	\$86.94
SALE	TCO	Feb-02	460	\$2.3800	\$1,094.80	\$1,028.15	\$0.00	\$0.00	\$0.00	\$1,028.15	\$66.65
SALE	TCO	Feb-02	700	\$2.3800	\$1,666.00	\$1,564.57	\$0.00	\$0.00	\$0.00	\$1,564.57	\$101.43
SALE	TCO	Feb-02	15,376	\$2.3200	\$35,672.32	\$33,210.62	\$0.00	\$0.00	\$0.00	\$33,210.62	\$2,461.70
SALE	TCO	Feb-02	23,500	\$2.4000	\$56,400.00	\$52,524.85	\$0.00	\$0.00	\$0.00	\$52,524.85	\$3,875.15
SALE	TCO	Feb-02	700	\$2.4000	\$1,680.00	\$1,564.57	\$0.00	\$0.00	\$0.00	\$1,564.57	\$115.43
SALE	TCO	Feb-02	1,800	\$2.4000	\$4,320.00	\$4,023.18	\$0.00	\$0.00	\$0.00	\$4,023.18	\$296.82
SALE	TCO	Feb-02	1,530	\$2.4000	\$3,672.00	\$3,419.70	\$0.00	\$0.00	\$0.00	\$3,419.70	\$252.30
SALE	TCO	Feb-02	2,700	\$2.4000	\$6,480.00	\$6,034.77	\$0.00	\$0.00	\$0.00	\$6,034.77	\$445.23
SALE	TCO	Feb-02	15,376	\$2.3600	\$36,287.36	\$33,210.62	\$0.00	\$0.00	\$0.00	\$33,210.62	\$3,076.74
SALE	TCO	Feb-02	15,000	\$2.3000	\$34,500.00	\$32,398.50	\$0.00	\$0.00	\$0.00	\$32,398.50	\$2,101.50
SALE	TCO	Feb-02	16,000	\$2.4500	\$39,200.00	\$35,761.60	\$0.00	\$0.00	\$0.00	\$35,761.60	\$3,438.40
SALE	TCO	Feb-02	10,251	\$2.3600	\$24,192.36	\$22,141.13	\$0.00	\$0.00	\$0.00	\$22,141.13	\$2,051.23
SALE	TCO	Feb-02	140,000	\$2.3300	\$326,200.00	\$302,386.00	\$0.00	\$0.00	\$0.00	\$302,386.00	\$23,814.00
SALE	TCO	Feb-02	140,000	\$2.3300	\$326,200.00	\$302,386.00	\$0.00	\$0.00	\$0.00	\$302,386.00	\$23,814.00
SALE	TCO	Feb-02	280,000	\$2.3250	\$651,000.00	\$604,772.00	\$0.00	\$0.00	\$0.00	\$604,772.00	\$46,228.00
SALE	TCO	Feb-02	140,000	\$2.3400	\$327,600.00	\$302,386.00	\$0.00	\$0.00	\$0.00	\$302,386.00	\$25,214.00
EXCHANGE	TCO	Feb-02	280,000	-\$0.0400	-\$11,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$11,200.00
SALE	TCO	Feb-02	13,326	\$2.4150	\$32,182.29	\$28,782.83	\$0.00	\$0.00	\$0.00	\$28,782.83	\$3,399.46
SALE	TCO	Feb-02	90,000	\$2.3800	\$214,200.00	\$194,391.00	\$0.00	\$0.00	\$0.00	\$194,391.00	\$19,809.00
SALE	TCO	Feb-02	160,000	\$2.5100	\$401,600.00	\$345,584.00	\$0.00	\$0.00	\$0.00	\$345,584.00	\$56,016.00
SALE	TCO	Feb-02	19,394	\$2.4700	\$47,903.18	\$41,889.10	\$0.00	\$0.00	\$0.00	\$41,889.10	\$6,014.08
SALE	TCO	Feb-02	9,000	\$2.4300	\$21,870.00	\$19,439.10	\$0.00	\$0.00	\$0.00	\$19,439.10	\$2,430.90
SALE	TCO	Feb-02	30,000	\$2.4300	\$72,900.00	\$64,797.00	\$459.00	\$0.00	\$0.00	\$65,256.00	\$7,644.00
SALE	TCO	Feb-02	2,178	\$2.6500	\$5,771.70	\$4,868.05	\$0.00	\$0.00	\$0.00	\$4,868.05	\$903.65
MANAGEMENT FEE	TENN	Feb-02			\$8,276.83						\$8,276.83
SALE	TCO	Mar-02	14,139	\$2.7700	\$39,165.03	\$34,523.20	\$0.00	\$0.00	\$0.00	\$34,523.20	\$4,641.83
EXCHANGE	TCO	Mar-02	10,000	\$0.0500	\$500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500.00
SALE	TCO	Mar-02	10,000	\$2.7400	\$27,400.00	\$24,417.00	\$0.00	\$0.00	\$0.00	\$24,417.00	\$2,983.00
SALE	TCO	Mar-02	10,000	\$2.6800	\$26,800.00	\$24,417.00	\$0.00	\$0.00	\$0.00	\$24,417.00	\$2,383.00
SALE	TCO	Mar-02	790	\$2.7500	\$2,172.50	\$1,993.96	\$0.00	\$0.00	\$0.00	\$1,993.96	\$178.54
SALE	TCO	Mar-02	700	\$2.7500	\$1,925.00	\$1,766.80	\$0.00	\$0.00	\$0.00	\$1,766.80	\$158.20
SALE	TCO	Mar-02	20,000	\$2.7000	\$54,000.00	\$50,480.00	\$0.00	\$0.00	\$0.00	\$50,480.00	\$3,520.00
SALE	TCO	Mar-02	20,000	\$2.5900	\$51,800.00	\$48,834.00	\$0.00	\$0.00	\$0.00	\$48,834.00	\$2,966.00
SALE	TCO	Mar-02	16,431	\$2.7400	\$45,020.94	\$41,471.84	\$0.00	\$0.00	\$0.00	\$41,471.84	\$3,549.10

Columbia Gas of Kentucky
Off-System Sales Transactions

CATEGORY (1)	DELIVERY PIPELINE (2)	COMPLETION MONTH (3)	VOLUME (4)	PRICE (5)	REVENUE (6=4*5)	PURCHASE COST (7)	STORAGE COST (8)	TRANSPORT COST (9)	TAXES (10)	TOTAL COST (11=7+8+9+10)	GROSS MARGIN (12=6-11)
EXCHANGE	TCO	May-02	31,000	\$0.0500	\$1,550.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,550.00
EXCHANGE	TCO	May-02	30,000	\$0.0300	\$900.00	\$0.00	\$0.00	\$618.00	\$0.00	\$618.00	\$282.00
EXCHANGE	TCO	May-02	46,500	\$0.0500	\$2,325.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,325.00
EXCHANGE	TCO	May-02	20,000	\$0.0300	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00
EXCHANGE	TCO	May-02	80,000	\$0.0300	\$2,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,400.00
EXCHANGE	TCO	May-02	20,000	\$0.0300	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00
EXCHANGE	TCO	May-02	15,000	\$0.0300	\$450.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450.00
EXCHANGE	TCO	May-02	20,000	\$0.0300	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00
EXCHANGE	TCO	May-02	20,000	\$0.0300	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00
EXCHANGE	TCO	May-02	15,000	\$0.0300	\$450.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450.00
MANAGEMENT FEE	TENN	May-02			\$8,276.83						\$8,276.83
EXCHANGE	CGT LAT	Jun-02	90,000	\$0.1250	\$11,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,250.00
SALE	TCO	Jun-02	6,420	\$3.3875	\$21,747.75	\$20,872.50	\$0.00	\$363.25	\$0.00	\$21,235.75	\$512.00
SALE	TCO	Jun-02	6,031	\$3.5050	\$21,138.66	\$20,351.50	\$0.00	\$341.24	\$0.00	\$20,692.74	\$445.92
SALE	TCO	Jun-02	4,864	\$3.3450	\$16,270.08	\$15,650.00	\$0.00	\$275.19	\$0.00	\$15,925.19	\$344.89
SALE	TCO	Jun-02	19,551	\$3.2950	\$64,420.55	\$62,310.00	\$0.00	\$1,106.27	\$0.00	\$63,416.27	\$1,004.28
SALE	TCO	Jun-02	21,534	\$3.3300	\$71,708.22	\$69,075.00	\$0.00	\$389.78	\$0.00	\$69,464.78	\$2,243.44
SALE	TCO	Jun-02	7,178	\$3.5200	\$25,266.56	\$24,543.75	\$0.00	\$129.93	\$0.00	\$24,673.68	\$592.88
SALE	TCO	Jun-02	5,073	\$3.4000	\$17,248.20	\$16,960.00	\$0.00	\$91.81	\$0.00	\$17,051.81	\$196.39
SALE	TCO	Jun-02	1,627	\$3.4400	\$5,596.88	\$5,440.00	\$0.00	\$29.45	\$0.00	\$5,469.45	\$127.43
SALE	TCO	Jun-02	7,178	\$3.4300	\$24,620.54	\$23,812.50	\$0.00	\$129.93	\$0.00	\$23,942.43	\$678.11
SALE	TCO	Jun-02	6,517	\$3.4250	\$22,320.73	\$21,440.00	\$0.00	\$368.76	\$0.00	\$21,808.76	\$511.97
SALE	TCO	Jun-02	4,786	\$3.5150	\$16,822.79	\$16,303.26	\$0.00	\$86.63	\$0.00	\$16,389.89	\$432.90
SALE	TCO	Jun-02	17,229	\$3.4000	\$58,578.60	\$56,565.00	\$0.00	\$311.82	\$0.00	\$56,876.82	\$1,701.78
SALE	TCO	Jun-02	19,551	\$3.3450	\$65,398.10	\$63,114.00	\$0.00	\$1,106.27	\$0.00	\$64,220.27	\$1,177.83
EXCHANGE	TCO	Jun-02	12,600	\$0.0300	\$378.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$378.00
EXCHANGE	TCO	Jun-02	6,000	\$0.0300	\$180.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$180.00
EXCHANGE	TCO	Jun-02	6,200	\$0.0400	\$248.00	\$0.00	\$0.00	\$127.72	\$0.00	\$127.72	\$120.28
SALE	TCO	Jun-02	5,743	\$3.5700	\$20,502.51	\$20,040.00	\$0.00	\$103.94	\$0.00	\$20,143.94	\$358.57
SALE	TCO	Jun-02	5,837	\$3.5650	\$20,808.91	\$19,953.33	\$0.00	\$330.28	\$0.00	\$20,283.61	\$525.30
SALE	TCO	Jun-02	5,934	\$3.7400	\$22,193.16	\$21,197.50	\$0.00	\$335.73	\$0.00	\$21,533.23	\$659.93
SALE	TCO	Jun-02	5,934	\$3.6725	\$21,792.62	\$20,435.00	\$0.00	\$335.73	\$0.00	\$20,770.73	\$1,021.88
SALE	TCO	Jun-02	14,649	\$3.5325	\$51,747.59	\$48,753.25	\$0.00	\$279.80	\$0.00	\$49,033.05	\$2,714.55
MANAGEMENT FEE	TENN	Jun-02			\$8,276.83						\$8,276.83
SALE OPTION	TCO	Jun-02	300,000	\$0.1700	\$51,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,000.00
SALE OPTION	TCO	Jun-02	300,000	\$0.1700	\$51,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,000.00
EXCHANGE	CGT LAT	Jul-02	62,000	\$0.1950	\$12,090.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,090.00
SALE	TCO	Jul-02	222,518	\$3.6525	\$812,747.00	\$789,310.34	\$0.00	\$4,027.58	\$0.00	\$793,337.92	\$19,409.08
SALE	TCO	Jul-02	2,432	\$3.4700	\$8,439.04	\$8,143.75	\$0.00	\$137.60	\$0.00	\$8,281.35	\$157.69
SALE	TCO	Jul-02	12,645	\$3.2600	\$41,222.70	\$39,845.00	\$0.00	\$715.50	\$0.00	\$40,560.50	\$662.20
SALE	TCO	Jul-02	2,432	\$3.1450	\$7,648.64	\$7,425.00	\$0.00	\$137.60	\$0.00	\$7,562.60	\$86.04
EXCHANGE	TCO	Jul-02	12,000	\$0.0300	\$360.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$360.00
SALE	TCO	Jul-02	2,529	\$3.1300	\$7,915.77	\$7,683.00	\$0.00	\$143.10	\$0.00	\$7,826.10	\$89.67
SALE	TCO	Jul-02	8,754	\$3.1800	\$27,837.72	\$26,392.50	\$0.00	\$495.34	\$0.00	\$26,887.84	\$949.88
SALE	TCO	Jul-02	2,918	\$3.3500	\$9,775.30	\$9,120.00	\$0.00	\$165.11	\$0.00	\$9,285.11	\$490.19
EXCHANGE	TCO	Jul-02	10,000	\$0.0800	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$800.00
EXCHANGE	TCO	Jul-02	12,668	\$0.0700	\$886.76	\$0.00	\$0.00	\$260.96	\$0.00	\$260.96	\$625.80
SALE	TCO	Jul-02	2,918	\$3.4900	\$10,183.82	\$8,940.00	\$0.00	\$165.11	\$0.00	\$9,105.11	\$1,078.71
MANAGEMENT FEE	TENN	Jul-02			\$8,276.83						\$8,276.83
EXCHANGE	TCO	Aug-02	310,000	\$0.1700	\$52,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,700.00
SALE	TCO	Aug-02	222,518	\$3.0050	\$668,666.59	\$641,677.92	\$0.00	\$4,027.58	\$0.00	\$645,705.50	\$22,961.09
SALE	TCO	Aug-02	310,589	\$3.1485	\$977,889.47	\$944,619.47	\$0.00	\$17,573.15	\$0.00	\$962,192.61	\$15,696.86
EXCHANGE	TCO	Aug-02	12,000	\$0.3700	\$4,440.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,440.00
SALE	TCO	Aug-02	9,100	\$3.4000	\$30,940.00	\$27,937.00	\$0.00	\$0.00	\$0.00	\$27,937.00	\$3,003.00
SALE	TCO	Aug-02	14,591	\$3.3700	\$49,171.67	\$45,225.00	\$0.00	\$825.57	\$0.00	\$46,050.57	\$3,121.10
SALE	TCO	Aug-02	3,000	\$3.2100	\$9,630.00	\$9,210.00	\$0.00	\$0.00	\$0.00	\$9,210.00	\$420.00
SALE	TCO	Aug-02	9,100	\$3.1200	\$28,392.00	\$27,937.00	\$0.00	\$0.00	\$0.00	\$27,937.00	\$455.00
SALE	TCO	Aug-02	14,591	\$3.1400	\$45,815.74	\$42,600.00	\$0.00	\$825.57	\$0.00	\$43,425.57	\$2,390.17
SALE	TCO	Aug-02	2,000	\$3.1500	\$6,300.00	\$6,140.00	\$0.00	\$0.00	\$0.00	\$6,140.00	\$160.00
SALE	TCO	Aug-02	9,100	\$3.1300	\$28,483.00	\$27,937.00	\$0.00	\$0.00	\$0.00	\$27,937.00	\$546.00
SALE	TCO	Aug-02	14,591	\$3.1100	\$45,378.01	\$42,225.00	\$0.00	\$825.57	\$0.00	\$43,050.57	\$2,327.44
SALE	TCO	Aug-02	9,000	\$3.0700	\$27,630.00	\$27,180.00	\$0.00	\$0.00	\$0.00	\$27,180.00	\$450.00
SALE	TCO	Aug-02	10,254	\$2.9800	\$30,556.92	\$28,848.75	\$0.00	\$195.85	\$0.00	\$29,044.60	\$1,512.32
SALE	TCO	Aug-02	14,591	\$2.9900	\$43,627.09	\$40,650.00	\$0.00	\$825.57	\$0.00	\$41,475.57	\$2,151.52
SALE	TCO	Aug-02	14,591	\$3.2100	\$46,837.11	\$43,200.00	\$0.00	\$825.57	\$0.00	\$44,025.57	\$2,811.54
SALE	TCO	Aug-02	14,591	\$3.2300	\$47,128.93	\$44,025.00	\$0.00	\$825.57	\$0.00	\$44,850.57	\$2,278.36
SALE	TCO	Aug-02	20,000	\$3.3500	\$67,000.00	\$61,400.00	\$0.00	\$0.00	\$0.00	\$61,400.00	\$5,600.00
SALE	TCO	Aug-02	8,583	\$3.3225	\$28,517.02	\$26,349.81	\$0.00	\$0.00	\$0.00	\$26,349.81	\$2,167.21
SALE	TCO	Aug-02	10,200	\$3.3300	\$33,966.00	\$31,314.00	\$0.00	\$0.00	\$0.00	\$31,314.00	\$2,652.00
SALE	TCO	Aug-02	9,000	\$3.2700	\$29,430.00	\$27,630.00	\$0.00	\$0.00	\$0.00	\$27,630.00	\$1,800.00
SALE	TCO	Aug-02	8,949	\$3.2800	\$29,352.72	\$26,680.00	\$0.00	\$506.35	\$0.00	\$27,186.35	\$2,166.37
SALE	TCO	Aug-02	26,988	\$3.4700	\$93,648.36	\$82,853.16	\$0.00	\$0.00	\$0.00	\$82,853.16	\$10,795.20
SALE	TCO	Aug-02	10,215	\$3.4500	\$35,241.75	\$32,182.50	\$0.00	\$577.90	\$0.00	\$32,760.40	\$2,481.35
SALE	TCO	Aug-02	8,463	\$3.5050	\$29,662.82	\$27,057.00	\$0.00	\$478.83	\$0.00	\$27,535.83	\$2,126.98
SALE	TCO	Aug-02	15,000	\$3.5400	\$53,100.00	\$46,050.00	\$0.00	\$450.00	\$0.00	\$46,500.00	\$6,600.00
SALE	TCO	Aug-02	10,000	\$3.6500	\$36,500.00	\$30,700.00	\$0.00	\$300.00	\$0.00	\$31,000.00	\$5,500.00
SALE	TCO	Aug-02	5,000	\$3.6550	\$18,275.00	\$15,350.00	\$0.00	\$150.00	\$0.00	\$15,500.00	\$2,775.00
SALE	TCO	Aug-02	8,268	\$3.5600	\$29,434.08	\$27,540.00	\$0.00	\$467.82	\$0.00	\$28,007.82	\$1,426.26
SALE	TCO	Aug-02	15,000	\$3.5950	\$53,925.00	\$46,050.00	\$0.00	\$0.00	\$0.00	\$46,050.00	\$7,875.00
SALE	TCO	Aug-02	90,000	\$3.6100	\$324,900.00	\$276,300.00	\$0.00	\$2,700.00	\$0.00	\$279,000.00	\$45,900.00
SALE	TCO	Aug-02	45,000	\$3.6200	\$162,900.00	\$138,150.00	\$0.00	\$0.00	\$0.00	\$138,150.00	\$24,750.00
SALE	TCO	Aug-02	15,000	\$3.6850	\$55,275.00	\$46,050.00	\$0.00	\$0.00	\$0.00	\$46,050.00	\$9,225.00
SALE	TCO	Aug-02	10,000	\$3.7000	\$37,000.00	\$30,700.00	\$0.00	\$0.00	\$0.00	\$30,700.00	\$6,300.00
SALE	TCO	Aug-02	24,600	\$3.9900	\$98,154.00	\$88,420.41	\$0.00	\$469.86	\$0.00	\$88,890.27	\$9,263.73
SALE	TCO	Aug-02	8,203	\$4.0400	\$33,140.12	\$29,400.00	\$0.00	\$156.68	\$0.00	\$29,556.68	\$3,583.44
SALE	TCO	Aug-02	8,268	\$4.1300	\$34,146.84	\$29,070.00	\$0.00	\$467.82	\$0.00	\$29,537.82	\$4,609.02
SALE	TCO	Aug-02	8,268	\$4.0450	\$33,444.06	\$31,459.74	\$0.00	\$0.00	\$0.00	\$31,459.74	\$1,984.32
MANAGEMENT FEE	TENN	Aug-02			\$8,276.83						\$8,276.83
SALE OPTION	TCO	Aug-02	1,530,000	\$0.1300	\$198,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$198,900.00
EXCHANGE	TCO	Sep-02	30,000	\$0.4100	\$12,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,300.00
EXCHANGE	TCO	Sep-02	30,000	\$0.1800	\$5,400.00	\$0.00	\$0.00	\$4,452.00	\$0.00	\$4,452.00	\$948.00

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Interrogatory No. 13

Since January 2002, have any suppliers had Any Communications with Columbia about participating in the Choice Program? If yes, please provide responses to the following:

(a) Identify the supplier(s) that had Communications with Columbia regarding participating in the Choice Program.

What was or were the nature and/or substance of Columbia's Communications with these inquiring or potential suppliers.

Response:

Columbia has received a call from one marketer in April/May 2003 about participation in the Choice program. The call was from Vectran located in Indiana. The general outline of the program was discussed along with the potential filing by Columbia for a termination date at the end of the storage year in 2004.

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Interrogatory No. 14

Please respond to the following requests:

- (a) Since January 2001, please Identify and explain what efforts and/or plans, if any, Columbia has made and/or effectuated to attract and/or induce suppliers to participate in the Choice Program?

If Columbia has not made and/or effectuated any such efforts and/or plans to attract or induce suppliers to participate in the Choice Program, please explain why Columbia has not expended any efforts and/or effectuated any plans to attract suppliers to participate in the Choice Program.

Response:

The Choice program was designed to be attractive to marketers by allowing them flexibility in the capacity used to bring gas to Columbia's system and Columbia maintaining the billing and collection responsibilities. These were viewed by the collaborative as elements of particular importance to marketers. No other inducements are offered. To do so would artificially skew the program to produce a pre-determined outcome. The Choice program was given its best design to see if it could succeed on its own merits. The idea of offering other inducements to marketers would be a violation of Columbia's tariff that governs the program.

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Interrogatory No. 15

Referring to page 7 of Columbia's Motion, where Columbia requests that the Commission permit Columbia to terminate the Choice Program and allow Columbia to: (1) retain 35% of the off-system sales revenues with the remainder credited to sales customers and (2) similarly share capacity release revenues, subject to a certain benchmark (collectively (1) and (2), "Columbia's Pre-Choice Shared Revenues"), please respond to the following requests:

- (a) For the five (5) years prior to the implementation of the Choice Program, please Identify for each year Any and all Columbia's Pre-Choice Shared Revenues and Identify Any and all the Documents evidencing the same, including Documents setting forth each transaction and the Person(s) that were parties to the transaction.
- (b) Has Columbia performed or otherwise discussed, whether formally or informally, any Studies that compare or otherwise consider the impact on revenues to Columbia as between the revenues from Columbia's Pre-Choice Shared Revenues and the revenues to Columbia from the revenue sharing mechanisms under the Choice Program? If yes, please Identify the results or conclusions from such Studies and the Identify the Documents evidencing the same. If no Studies were performed, but Communications or Correspondence were had discussing the same, please Identify the Persons that participated in these Communications and Identify the Correspondence or Documents evidencing the same.

Response:

- a) Columbia's share of revenues booked during the five years prior to implementation of the Choice program were, \$463,170 in 1996, \$1,565,470 in 1997, \$1,769,593 in 1998, \$2,308,917 in 1999, and \$2,302,157 in 2000. Note that the booked revenue for year 2000 is for the Calendar year, while the Choice program was phased in during that year. For details of the transactions, please refer to Columbia's response to Interrogatory Number 12.

- b) There are no studies or Correspondence by Columbia that consider the impact on revenues to Columbia as between Columbia's Pre-Choice Shared Revenues and the revenues to Columbia from the revenue sharing mechanisms under the Choice Program.

IGS Data Request Set 1
Request to Produce No. 1
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 1

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-1(a).

Response:

Please see Columbia's response to IGS Interrogatory No. 1.

IGS Data Request Set 1
Request to Produce No. 2
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 2

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-6(e).

Response:

Please see response to Item 1. The Motion to Terminate has been previously provided to all parties.

IGS Data Request Set 1
Request to Produce No. 3
Respondent: Judy M. Cooper

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Request to Produce No. 3

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-7.

Response:

Please see Columbia's response to IGS Interrogatory No. 7.

IGS Data Request Set 1
Request to Produce No. 4
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 4

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-9(c).

Response:

Please see Columbia's response to IGS Interrogatory No. 9.

IGS Data Request Set 1
Request to Produce No. 5
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 5

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-9(d).

Response:

Please see Columbia's response to IGS Interrogatory No. 9.

IGS Data Request Set 1
Request to Produce No. 6
Respondent: Judy M. Cooper

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Request to Produce No. 6

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-10(b).

Response:

Please see Columbia's response to IGS Interrogatory No. 10.

IGS Data Request Set 1
Request to Produce No. 7
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 7

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-10(c).

Response:

Please see Columbia's response to IGS Interrogatory No. 10.

IGS Data Request Set 1
Request to Produce No. 8
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 8

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-10(d).

Response:

Please see Columbia's response to IGS Interrogatory No. 10.

IGS Data Request Set 1
Request to Produce No. 9
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 9

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(b).

Response:

Please see Columbia's response to IGS Interrogatory No. 11.

IGS Data Request Set 1
Request to Produce No. 10
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 10

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(c).

Response:

Please see response to Interrogatory No. 11.

IGS Data Request Set 1
Request to Produce No. 11
Respondent: Judy M. Cooper

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Request to Produce No. 11

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(d).

Response:

Please see response to Interrogatory No. 11.

IGS Data Request Set 1
Request to Produce No. 12
Respondent: Judy M. Cooper

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003

Request to Produce No. 12

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(e).

Response:

Please see Columbia's response to IGS Interrogatory No. 11.

IGS Data Request Set 1
Request to Produce No. 13
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 13

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(f).

Response:

Please see Columbia's response to IGS Interrogatory No. 11.

IGS Data Request Set 1
Request to Produce No. 14
Respondent: Scott Phelps

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 14

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-12.

Response:

Please see Columbia's response to IGS Interrogatory Number 12.

IGS Data Request Set 1
Request to Produce No. 15
Respondent: Judy M. Cooper

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 15

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-15(a).

Response:

Please see Columbia's response to IGS Interrogatory No. 15.

IGS Data Request Set 1
Request to Produce No. 16
Respondents: Judy Cooper and Scott Phelps

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 1999-00165
INFORMATION REQUESTED BY INTERSTATE GAS SUPPLY, INC.
PURSUANT TO PSC ORDER DATED JUNE 26, 2003**

Request to Produce No. 16

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-15(b).

Response:

Please see Columbia's response to IGS Interrogatory Number 15.

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC., TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

RECEIVED
JUL 24 2003
PUBLIC SERVICE
COMMISSION

CASE NO. 1999-00165

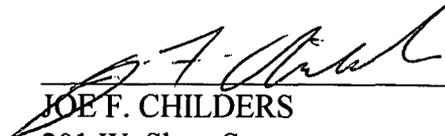
**COMMUNITY ACTION COUNCIL'S STATEMENT
ON ITS POSITION CONCERNING THE MOTION OF
COLUMBIA GAS OF KENTUCKY, INC. TO
TERMINATE THE CHOICE PROGRAM**

Comes the Community Action Council (CAC), by counsel, and hereby states its position regarding the motion of Columbia Gas of Kentucky, Inc. (Columbia) to terminate its small volume gas transportation service on March 31, 2004 pursuant to the Commission's order dated July 15, 2003 requiring any party that has not yet stated its position to do so no later than July 24, 2003 in the form of written comments or testimony.

The customer choice program was instituted to save customers money. As such, CAC supports Columbia's intentions in implementing this program. CAC acknowledges that many customers have realized savings as a result of this program, some of which have been significant. Because of the savings that the customer choice program offers Columbia's customers, CAC believes that there are beneficial aspects to the program and that there is some basis for continuing the program beyond the March 31, 2003 date, in either its current or a modified form.

However, CAC also recognizes that the program should not unfairly penalize Columbia and that Columbia's motion to terminate the program on March 31, 2004 lists a number of reasons justifying early termination. As a result, CAC opposes Columbia's motion at this time, but would like to reserve the right to review the information provided to it during the pendency of this action to make a final determination of whether it believes early termination is warranted.

Respectfully submitted,



JOE F. CHILDERS
201 W. Short Street
Suite 310
Lexington, KY 40507

ATTORNEY FOR CAC

CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing document has been served on the parties to this proceeding by mailing the same to the following persons:

Stephen B. Seiple, Esq.
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P.O. Box 14241
Lexington, KY 40512-4241

Richard S. Taylor, Esq.
Attorney at Law
225 Capital Avenue
Frankfort, KY 40601

Douglas M. Brooks, Esq.
Louisville Gas & Electric Co.
220 West Main Street

P.O. Box 32010
Louisville, KY 40232-2010

Ann Louise Chevront, Esq.
Assistant Attorney General
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Edward W. Gardner, Esq.
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Lexington, KY 40507

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Louisville, KY 40202

FSG Energy Services
6797 North High Street
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Worthington, OH 43085

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Vice President, Regulatory Affairs
United Gas
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John M. Dosker, Esq.
Stand Energy Corporation
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Richard S. Minch
Manager, Regulatory Services

Columbia Gas of Kentucky, Inc.
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Lexington, KY 40512-4241

Jack E. Burch
Executive Director
Community Action Council
P.O. Box 11610
Lexington, KY 40576

James R. Cox, Esq.
209 Breckenridge Lane
Louisville, KY 40207

on this the 24th day of July, 2003.



JOE F. CHILDERS



Paul E. Patton, Governor

Janie A. Miller, Secretary
Public Protection and
Regulation Cabinet

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
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(502) 564-3940
Fax (502) 564-3460
July 24, 2003

Martin J. Huelsmann
Chairman

Gary W. Gillis
Vice Chairman

Robert E. Spurlin
Commissioner

John W. Bentine
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

RE: Case No. 1999-00165

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Dorman".

Thomas M. Dorman
Executive Director

TD/jc
Enclosure



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

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Chester Willcox & Saxbe LLP
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Senior Counsel Specialist, Reg.
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Honorable Richard S. Taylor
Attorney at Law
225 Capital Avenue
Frankfort, KY 40601

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE, TO) CASE NO.
CONTINUE ITS GAS COST INCENTIVE) 1999-00165
MECHANISMS, AND TO CONTINUE ITS CUSTOMER)
ASSISTANCE PROGRAM)

ORDER

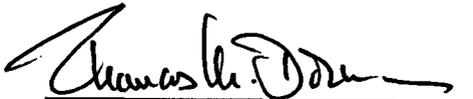
On June 12, 2003, James R. Cox, an attorney licensed to practice law in the Commonwealth of Kentucky who is representing Interstate Gas Supply, Inc. ("Interstate Gas"), moved the Commission to admit John W. Bentine and Bobby Singh to practice before the Commission and to appear on behalf of Interstate Gas in this proceeding. In support of the request, Mr. Bentine and Mr. Singh have shown that they are members in good standing with the Ohio State Bar and have represented Interstate Gas in other forums. In addition, Mr. Bentine and Mr. Singh have agreed to be subject to the jurisdiction and rules of this Commission and the Kentucky Bar Association.

IT IS THEREFORE ORDERED that John W. Bentine and Bobby Singh are admitted Pro Hac Vice for the purpose of representing Interstate Gas in the above-styled proceeding provided that Mr. Cox, or another member of the Kentucky Bar Association, acts as co-counsel and is present at any and all proceedings before this Commission.

Done at Frankfort, Kentucky, this 24th day of July, 2003.

By the Commission

ATTEST:


Executive Director

Case No. 1999-00165

REED WEITKAMP SCHELL & VICE PLLC500 West Jefferson Street, Suite 2400
Louisville, Kentucky 40202Telephone: (502) 589-1000
Facsimile: (502) 562-2200**FACSIMILE COVER SHEET**

July 24, 2003

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JUL 24 2003

PUBLIC SERVICE
COMMISSION**TO:** Susan Hutcherson**COMPANY:** Public Service Commission**FACSIMILE NO.:** 502-564-3460**CONFIRMATION NO.:** 502-564-3940**FROM:** Mary R. Harville**NUMBER OF PAGES** (including cover sheet): 12**IF ANY PROBLEMS ARISE, PLEASE CONTACT:** Karen Childers
(502) 589-1000**RE:** *In the Matter of: The Tariff Filing of Columbia Gas of Kentucky, Inc. to Implement a Small Volume Gas Transportation Service to Continue its Gas Cost Incentive Mechanisms, and to Continue its Customer Assistance Program, Case No. 1999-00165***MESSAGE:** The original and ten copies of the attached are being forwarded by Federal Express to the Commission for filing.

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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

RECEIVED

JUL 24 2003

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO.
1999-00165

**COMMENTS OF THE
NATIONAL ENERGY MARKETERS ASSOCIATION**

The National Energy Marketers Association (NEM) hereby submits these comments stating its position on the Motion of Columbia Gas to terminate its small volume gas transportation service on March 31, 2004, pursuant to Appendix A of the Commission's Order of July 15, 2003, in the above-referenced proceeding. For the reasons set forth below NEM urges the Commission to continue, expand and make permanent implementation of the choice program and opposes the Motion of Columbia for early termination of the choice program.

I. Introduction

Through prior Orders in this proceeding, the Commission approved a small volume transportation program ("Choice Program") proposed by Columbia Gas of Kentucky, Inc. ("Columbia"), which is to operate as a pilot program through October 31, 2004. On June 6, 2003, Columbia filed a motion requesting Commission approval to terminate its pilot Choice Program effective March 31, 2004 ("Columbia's Petition"). On June 12, 2003, Interstate Gas Supply, Inc. ("IGS") filed a petition requesting that the Choice Program be continued permanently ("IGS's Petition").

II. Columbia's Motion Should Be Denied

Columbia filed an application for the early termination of its small volume gas transportation program effective March 31, 2004. Columbia argues that the pilot program should be terminated because: 1) "in the aggregate customers are not saving money;" 2) Columbia would likely incur "substantial" stranded costs if the program were to run beyond March 31, 2004; and 3) due to the workings of storage contracts, March 31, 2004, is the logical time to conclude the program. Columbia further requests: 1) to limit marketer participation in the program to the existing participants; 2) to no longer make customer lists available to marketers; and 3) to educate customers about the termination of the program. For the reasons set forth below, NEM submits that Columbia's Motion should be denied and that the pilot program should be permitted to continue indefinitely.

Columbia asserts that customers in the aggregate have not achieved savings in the program and therefore the program should be terminated. However, Columbia does recognize that individual customers have achieved savings. The individual customers that did achieve savings (by Columbia's definition) should not be denied the ability to achieve similar savings in the future from competitive options. Additionally, contrary to Columbia's assertion, one of the marketers participating in the program states that, "[a]s of April 2003, IGS estimates that it has provided its customers with savings in excess of \$2.7 million."¹

Furthermore, without conceding that Columbia's savings analysis is correct, NEM submits that the value of choice programs to customers is not limited solely to savings. Rather, customers also benefit from the opportunity to choose additional value-added offerings from competitive

¹ Petition of IGS at page 10.

suppliers, such as fixed rate plans or plans that guarantee a percentage savings from Columbia's rate. In its Customer Choice Program Annual Report, Columbia states that, "[a]s of May 2003, the latest numbers available, 46,095 customers representing approximately 33% of eligible customers had enrolled with a marketer." (Report at page 2). The sheer volume of migration to competitive marketers clearly reveals that Kentucky consumers feel they receive value from participation in the program.

Columbia states with respect to the choice program that in recent months, "[f]or numerous customers, the fixed price rate they paid exceeded Columbia's gas cost." (Report at pages 2-3). NEM submits that Columbia's sales commodity price varies seasonally with higher prices in the peak-use winter months and lower prices in off-peak summer months. Therefore, a snapshot of commodity prices that focuses on months rather than years may not accurately capture the total "opportunity" for customer savings that can be accrued over longer periods of time. Additionally, NEM submits that Columbia's analysis fails to recognize that certain customers place a premium on receiving a fixed rate for gas and feel they derive value from the program in that manner. These shopping customers had the opportunity to select a product from the competitive market that guaranteed them savings off of the GCR rate. However, instead, they decided to choose a fixed price rate product. Evidently, the ability to pay a fixed price for gas commodity and be protected from the volatility of Columbia's variable price was an important consideration for these consumers.

Columbia also asserts that it would incur substantial stranded costs if the program were permitted to continue beyond March 31, 2004, and thereby violate the revenue neutrality principle embodied in the order establishing the program. However, Columbia notes that stranded costs are currently over-funded by \$1.67 million. Columbia projects that for the period of May 2003 through March 2004 it will accrue further stranded cost over-funding in the amount of \$542,403.

(Attachment 2). As a result, Columbia projects total stranded cost over-funding of \$2,215,219 by March 2004. (Id.) Columbia has failed to provide any evidence that it will incur these supposed "substantial" stranded costs but rather that it has received and will continue to receive a net benefit.

With respect to stranded costs, NEM submits that revenues lost due to migration should be calculated and netted against benefits after actual migration has occurred. NEM submits that once the Commission determines that a reasonable migration level has occurred, then a calculation of the difference between the revenues that the utility would have received using fully embedded cost-based rates and the revenues actually received by the utility due to lost sales of specific services from the menu of competitive products, services, information and technology that each customer actually elects to purchase from a competitive supplier should be compared to determine the maximum amount of potentially "qualifying revenue losses" that must be netted against benefits and thereafter may be arguably recoverable, subject to the following qualifications:

1. The utility must show that the costs are material.
2. The utility must demonstrate that they have productively managed and reasonably mitigated costs in the subject areas.
3. The utility must not be earning in excess of their earnings cap, and
4. The utility must identify specifically which costs or revenue losses are a result of (a) the utility being required to provide Provider of Last Resort services and/or (b) the utility's need to provide fully bundled services to customers that do not migrate, and
5. The utility must quantify the net benefits associated with the costs saved by not serving migrating load.

After the qualifying revenue losses have been calculated in this fashion, Columbia should file with the Commission a proposal to recover these costs, if any, in the form of a competitively neutral charge spread properly over all users of its distribution system.

Columbia further argues that the program should be terminated in March 2004 because of the way storage contracts work. However, Columbia previously argued and the Commission accepted that October 31, 2004, was a logical end date for the pilot program because, "the October

31, 2004 termination corresponds to the expiration of most of its long-term capacity contracts." March 6, 2000 Order at page 2. Early termination of the program would run contrary to this rationale.

NEM submits that Columbia has failed to raise a compelling argument for the termination of the program, early or otherwise. On the contrary, NEM urges the Commission to continue, expand and make permanent the Columbia Choice Program and supports the Petition and Testimony of IGS in that regard. The continuation, expansion and permanent institution of the program is fair, equitable and in the public interest because the program is offered on a voluntary basis and provides customers an opportunity for savings as well as the opportunity to receive other value-added offerings. Customers that have benefited from participation in the program as well as prospective customers should not be denied the opportunity to lower energy costs and enjoy true competition for their energy-related needs. The fact that consumers, the utility and participating marketers have all benefited from the operation of the program should be clear and convincing evidence of its success and value to the public. It would be contrary to the public interest and good public policy and governance to terminate a choice program that has achieved significant success in the short time since its implementation. Moreover, eliminating or proposing to eliminate a successful program after private capital has been invested to serve consumers in the state of Kentucky increases the risk of doing business in the state substantially, making it even more difficult to raise investment capital in the future.

NEM submits that the 33% customer participation level is clear and convincing evidence of the success of Columbia's Choice Program and supports its expansion into a permanent program. NEM submits that, in general, pilot programs have many inherent traits that discourage robust participation. For example, because pilot programs are not permanent, suppliers are hesitant to

commit the substantial capital, time, and effort to enter and participate in the program without assurance from the Commission that the program will exist long enough for them to see a return on their investments. Additionally, consumers are hesitant to take the time and effort needed to educate themselves about a pilot program that may not become a permanent offering from their LDC. NEM submits that despite the usual disincentives to participating in pilots, one out of every three Kentucky consumers eligible for the choice program actively chose to take part in the program.

NEM submits that the slight dip in participation from 36% in 2002 to 33% in 2003 is not evidence that "interest in the Program has subsided." NEM urges the Commission to consider the fact that the dip in participation is likely the combined result of IGS's not accepting new enrollments pending resolution of Columbia's restrictive mandatory capacity filing and the uncertainty as to the future of the Choice Program and its threatened termination.² NEM submits that, according to Scott White, the President of Interstate Gas Supply, Inc., "[u]pon settlement of the mandatory capacity issue, IGS began accepting new enrollments, which has caused participation to increase by approximately 2,200 customers just from April through July 2003," "... an increase of 5.75% in the number of customers served by IGS."³ Since IGS is the largest supplier in Columbia Gas of Kentucky's Choice Program, an increase in customers that IGS serves has a substantial impact on the percent of eligible customers state-wide participating in the pilot.

From a broad perspective, choice programs such as those offered in the Columbia service territory provide consumers with a myriad of benefits, not limited to savings. These benefits include access to innovative new offerings of products, services, information and technology. Access to these new offerings also permits consumers to gain greater control over their energy bill.

²Petition of IGS at page 4.

³ Id.

Furthermore, as more alternative energy suppliers invest in serving customers in this market (as will become more likely when the program is granted permanent status), competitive forces will provide consumers with better price and service options. Lower energy prices lower the cost of doing business in the state thus permitting local companies to better compete, attract new businesses, increase job opportunities and increase state tax revenues. Consumers are smart enough to compare prices, quality of service, reputation and technological innovation. The ability to do business when you want, with whom you want, and then to buy what you want is one of the most efficient consumer protections government can offer. Additionally, the competition that choice programs bring into the market provides extra incentive for existing utilities to provide good customer service and to keep their commodity costs down.

NEM notes that even the objectives established by Columbia and accepted by the Commission in its Order approving the program have been met.⁴ NEM further submits that a permanent program will promote these and other goals for the benefit of all Kentucky consumers in this service territory. The choice program has provided an opportunity for consumer savings and has also provided an opportunity for consumers to choose different value-added offerings such as fixed rate plans or plans that guarantee a percentage savings from Columbia's rate. One of NEM's members, IGS, projects that it has saved customers \$2.7 million as of April 2003,⁵ provided consumers with a choice of rate options, and is the largest supplier in the program that has experienced a 33% migration rate, all of which demonstrates the value customers place on this

⁴ These goals are: 1) an opportunity for consumers to save money on gas bills; 2) provide marketers with flexibility to provide savings by permitting marketers to use their own interstate capacity; 3) revenue neutrality for Columbia with the opportunity for the utility to recover stranded costs; 4) recovery of stranded costs should be transparent to the customer; 5) sales customers should not bear additional charges because of the implementation of the program; and 6) provision of customer education on the operation of the program. (January 27, 2000, Order Approving Program).

⁵ Petition of IGS at page 10.

program. Furthermore, Columbia's own Motion reveals that it has benefited from the operation of the program through the accrual of net stranded benefits estimated at \$2,215,219 by March 2004.

Consumers should not be penalized so that Columbia may engage in off-system-sales and keep 25% of the revenues from such sales, particularly when the so called "stranded costs" that Columbia currently admits to be negative 2.2 million dollars. Prior to the institution of the Choice Program, Columbia was permitted to retain 35% of the revenues from off-system-sales and was not required to offset these revenues by absorbing stranded costs. In approving the new mechanism that is riskier for Columbia, the Commission has created a disincentive for Columbia to retain the Choice program. Columbia's desire to further profit from off system sales should not be a reason to terminate the program and penalize current and prospective consumers who wish to save energy costs.

NEM submits that the Commission should continue and expand the program on a permanent basis subject to the review process outlined in its initial Order approving the program. In that Order the Commission decided,

In order for rates to be as transparent as possible at the earliest possible time, the Commission finds that a review of costs and rates should be initiated before the end of the proposed five-year program period. A period of three years is a suitable amount of time for the program to progress beyond its initial stages, for customer participation to move at least past the introductory level, and for Columbia to gather preliminary information concerning costs involved in providing small volume transportation service relative to sales service. Because such information will be available at that time, the Commission will then begin the process of retaining an outside consultant, as authorized by KRS 278.255, to review all aspects of the Customer Choice program, to review the issue of a competitive marketplace, and to conduct a fully allocated cost-of-service study that will show what, if any, rates will need to be rebalanced in order to correctly represent costs to provide service.

In addition to the cost review process that will begin at the end of the three-year period and conclude prior to the end of the five-year pilot period, any necessary modifications to the program itself and approved financial model will also be considered. The cost recovery that has occurred through the acceptable revenue

opportunities of capacity assignment, balancing charges, off-system sales, and marketer contributions will be reviewed, and a recommendation made as to whether this method of stranded cost recovery should be continued or modified. Once the consultant's review and report have been completed, the Commission will initiate a proceeding wherein Columbia and other parties may address the results of the consultant's report and other issues relating to the Customer Choice program as identified by the Commission at that time. (emphasis added).

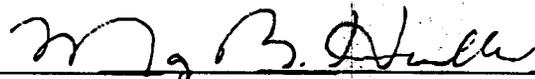
The language quoted above demonstrates the Commission's intention of initiating a formal review of the program that would improve the program for consumers and anticipates its implementation on a permanent basis. NEM urges the Commission to review the program to gain a full and unbiased appreciation of the value that customers, the utility and marketers have derived thus far. The abrupt termination of a successful program would violate Commission precedent and undermine the investment climate in the state for new businesses. NEM offers its, "*National Guidelines for Unbundling and Restructuring the Natural Gas Distribution Function*,"⁶ for consideration in the review process.

⁶ The full text of NEM's "National Guidelines for Unbundling and Restructuring the Natural Gas Distribution Function" is available at www.energymarketers.com.

III. Conclusion

For the foregoing reasons, NEM urges the Commission to continue, expand and make permanent implementation of the choice program and opposes the Motion of Columbia for early termination of the choice program.

Respectfully submitted,



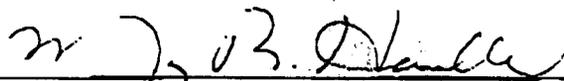
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Counsel for National Energy Marketers Association

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing were mailed, postage prepaid, to the persons shown on the attached service list on the 24th day of July, 2003.



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**COMMONWEALTH OF KENTUCKY
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IN THE MATTER OF:

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TO CONTINUE ITS GAS COST INCENTIVE) 1999-00165
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM.)

**MOTION FOR LEAVE FOR FULL INTERVENTION/
COMMENTS ON BEHALF OF
VOLUNTEER ENERGY SERVICES, INC.**

Pursuant to 807 KAR 5:001 Section 3(8) Volunteer Energy Services, Inc. ("VESI") respectfully moves for Leave for Full Intervention in the above captioned matter. VESI requests that its Leave for Full Intervention be granted for the reasons set forth herein.

Contact Information

As required by 807 KAR 5:001 Section 3(8), the person and party seeking intervention is provided, and communications and correspondence should be directed to the following:

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Local Counsel for Volunteer Energy Services, Inc.

MEMORANDUM IN SUPPORT

I. INTRODUCTION

At issue in this proceeding is the Application filed by Columbia Gas of Kentucky ("Columbia Gas") to terminate its small volume transportation program ("Choice Program") on March 31, 2004 as opposed to October 31, 2004 in contravention of earlier orders issued by the Public Service Commission of Kentucky ("the Commission" or "PSC") which established the pilot Choice Program. On June 12, 2003, Interstate Gas Supply, Inc. ("IGS") filed a petition ("the IGS Petition") in which it requested that the Choice Program be continued on a permanent basis. On July 10, 2003, the National Energy Marketers Association ("NEM") filed an intervention and supported the IGS Petition. Volunteer Energy Services, Inc. ("VESI") also supports the IGS Petition as well as that of NEM and respectfully seeks intervention for the reasons set forth below.

II. BACKGROUND ON VESI

Volunteer Energy Services, Inc. is a certified retail natural gas supplier in the State of Ohio operating in the Columbia of Ohio Choice Program. It also acts as a wholesale supplier to the Community Action Council Buyers Club ("Buyers Club") which serves approximately 3,000 low income customers in the Lexington, Kentucky area. This program is providing savings to low-income customers and as such, is serving an important role of helping to provide affordable energy to those who are most in need. In its capacity as the wholesale supplier for the Buyers Club, VESI has assumed the mandatory capacity obligation on behalf of the Buyers Club for the delivery of gas to Columbia's customers.

III. VESI SHOULD BE GRANTED FULL INTERVENTION

VESI has a real and substantial interest in the outcome of this proceeding. As the wholesale supplier to the Buyers Club, termination of the Choice Program will have an adverse economic

impact on VESI which VESI seeks to preserve through its intervention. For VESI, like other marketers, the early termination of the program will result in a loss of revenues and the loss of business opportunities. Moreover, given that VESI is already active in the Kentucky market as a wholesale supplier assisting the Buyers Club, it is interested in becoming more active in the Kentucky market in the future, depending on the status of the Choice Program. As a marketer, VESI has an interest in advancing the arguments that will lead to the development of a robust competitive market under which there is the opportunity for many suppliers to offer reliable service to customers. The positions advanced by VESI will contribute to the Commission's consideration of the issues at stake in this proceeding.

IV. COLUMBIA'S PETITION SHOULD BE DENIED AND THE CHOICE PROGRAM SHOULD BE CONTINUED PERMANENTLY

As a result of Orders issued by this Commission on January 27, 2000, March 6, 2000 and May 19, 2000 in this proceeding, the Commission established the Choice Program which was designed to be effective through October, 2004. As opposed to seeking to extend this program to enable customers to enjoy the advantages of choosing their own supplier, Columbia now seeks to re-institute the monopoly paradigm. This is clearly a step backwards. The basis for Columbia's petition is that customers in the aggregate are not saving money; Columbia will incur stranded costs if the program were to run beyond March 31, 2004; and that due to the nature of the storage contracts, March, 2004 is a logical time to terminate the program. Columbia also seeks to limit marketer participation to those already participating; to no longer make customer lists available and to begin customer education on the termination of the Choice Program. VESI asserts that Columbia's Application should not only be denied, but that the program should be extended permanently.

One of the goals of the Columbia Choice Program, as set forth by the Commission in its January 27, 2000 Order in this proceeding in this case, is that the Choice Program must offer customers the opportunity to save money on their gas bills. This in fact is occurring as admitted by Columbia when it makes its claim that customers in the aggregate are not saving. That implies that some customers are in fact enjoying the opportunity to save. Indeed, that is the case for the customers of the Buyers Coop who are saving on their gas bills. Moreover, questions must be raised as to the basis of Columbia's claim and whether they have accurately considered data that looks at total saving over the life of the program since its inception. Further, there are other desirable attributes to the Choice program apart from cost savings. For example, rate stability for budgeting purposes is an important factor, especially for those on fixed incomes. Moreover, of greatest significance is what the customers think of the Choice Program. That 33% of the eligible customers or 46,095 customers have chosen to speak with their wallet, by switching from Columbia to a competitive marketer, clearly demonstrates the value customers believe they are deriving. This is especially true when one considers that the forces of customer inertia often work against customers exercising a choice and the program has been in effect for barely three years.

With respect to Columbia's claim as to stranded costs, insufficient data has been presented to substantiate its estimates. Moreover, stranded costs should not be recovered by Columbia unless Columbia can demonstrate that they are the net, verifiable, prudently incurred, reasonable and fully mitigated costs. In recovering these stranded costs, Columbia should not be allowed to earn in excess of its earnings/sharing cap. Once these costs are properly verified, then Columbia should be allowed to recover them in a competitively neutral manner such as through a non-bypassable surcharge.

Columbia's claim that due to the nature of its storage contracts the preferred time to terminate the program is March, 2004, is without merit. This is especially true, given that the original October, 2004 termination date corresponds to the termination date of most of its long-term contracts.

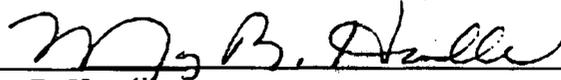
As to Columbia's request to initiate steps leading to termination of the program, they should not be adopted. No public purpose is served by limiting participation as proposed by Columbia.

V. CONCLUSION

Given the issues in controversy, Columbia's petition should not be granted. In its deliberations on this matter, the Commission will be aided by having before it, the marketers' viewpoint and VESI is one of those marketers.

WHEREFORE, VESI respectfully requests that the Commission grant its full intervention in this proceeding.

Respectfully submitted,



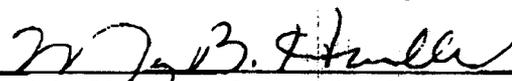
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Motion for Leave for Full Intervention/Comments on Behalf of Volunteer Energy Services, Inc. were mailed, postage prepaid, to the persons shown on the attached service list on the 24th day of July, 2003.



Counsel for Volunteer Energy Services, Inc.

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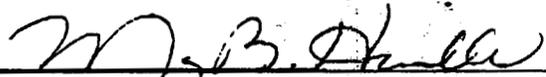
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MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM.)

**MOTION FOR ADMISSION PRO HAC VICE
OF MS. JANINE L. MIGDEN
AND MEMORANDUM IN SUPPORT**

Now comes Mary R. Harville, an attorney licensed to practice law in the State of Kentucky, and hereby respectfully moves the Commission to admit Ms. Janine Migden of the firm of Hahn Loeser & Parks, LLP to practice before the Commission and appear on behalf of the intervenor, Volunteer Energy Services, Inc. in the above-captioned case. The basis for this Motion is more fully set forth in the attached Memorandum in Support.

Respectfully submitted,



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KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE) CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	) 1999-00165
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM.)

MEMORANDUM IN SUPPORT

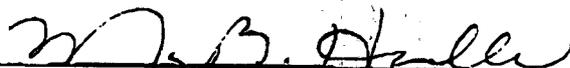
Mary R. Harville, an attorney licensed to practice law in the State of Kentucky, hereby respectfully moves the Commission to permit Ms. Janine L. Migden to appear and practice before the Commission as counsel for the Intervenor, Volunteer Energy Services, Inc. ("VESI") in the above-captioned proceeding. Ms. Migden is a partner in the law firm of Hahn Loeser & Parks, LLP and has also represented VESI and other competitive retail natural gas suppliers before other regulatory agencies for similar matters.

Ms. Migden's business address is 1050 Fifth-Third Center, 21 East State Street, Columbus, OH 43215. She is a member in good standing of the Bar of the state of Ohio (Bar Number 0002310).

Ms. Migden will continue to represent VESI in this proceeding until its final determination, unless permitted to withdraw sooner by order of the Commission or a court of competent jurisdiction. Further, Ms. Migden agrees that she shall be subject to the orders and amenable to the disciplinary action and jurisdiction of this Commission and the Kentucky State Bar in all respects.

WHEREFORE, Mary R. Harville respectfully moves the Commission to grant this Motion for Admission Pro Hac Vice.

Respectfully submitted,

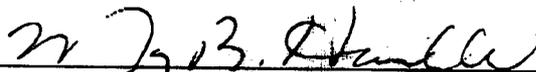


Mary R. Harville
Reed Weitkamp Schell & Vice PLLC
500 West Jefferson Street, Suite 2400
Louisville, KY 40202
Tel: 502/589-1000
Fax: 502/562-2200
E-mail: mharville@rwsvlaw.com

Local Counsel for Volunteer Energy Services, Inc.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Motion for Admission Pro Hac Vice of Ms. Janine Migden and Memorandum In Support were mailed, postage prepaid to the persons shown on the attached service list on the 24th day of July, 2003.



Counsel for Volunteer Energy Services, Inc.

Service List

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Columbus, OH 43215-4213

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65 East State Street, Suite 1000
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Lexington
Fayette
Urban
County
Government



DEPARTMENT OF LAW

July 22, 2003 RECEIVED

JUL 23 2003

PUBLIC SERVICE
COMMISSION

Thomas M. Dorman, Executive Director
Public Service Commission of Kentucky
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: Case No. 1999-00165

Dear Mr. Dorman:

Please find enclosed herewith for filing an original and ten (10) copies of the Lexington-Fayette Urban County Government's Statement in PSC case No. 1999-00165. Should you have any questions, please contact me.

Sincerely,

David J. Barberie
Corporate Counsel

ENCLOSURES

DJB/jk/let339

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

JUL 23 2003

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC., TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO. 1999-00165

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT'S STATEMENT
ON THE MOTION OF COLUMBIA GAS OF KENTUCKY, INC.**

COMES the Lexington-Fayette Urban County Government (the "LFUCG"), by counsel, and pursuant to the Commission's order dated July 15, 2003, which requires any party that has not yet stated its position on the motion of Columbia Gas of Kentucky, Inc. ("Columbia") to terminate its small volume gas transportation service on March 31, 2004, to so state its position by no later than July 24, 2003 in the form of written comments or testimony, and responds as follows.

The LFUCG supports the concept of the customer choice program, as it was intended to save customers money. However, the LFUCG also recognizes that the program should result in such savings without unfairly penalizing Columbia.

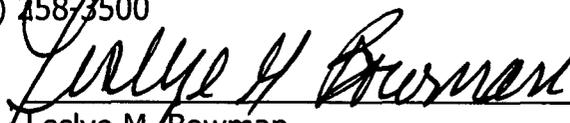
With respect to Columbia's motion to terminate the program on March 31, 2004, Columbia offers a number of apparently valid reasons in support of early termination. That being said, the LFUCG realizes that at least some customers, including the LFUCG, have actually realized significant savings as a result of the program. The LFUCG also believes that there may be some justification for the continuance of the program

beyond March 31, 2004 in its current, or perhaps a modified form. Therefore, the LFUCG does not support Columbia's motion at this time, and would like the opportunity to review the information that becomes available during this case to determine whether early termination is warranted.

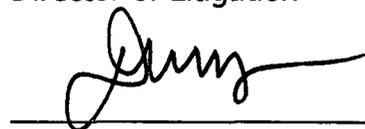
Respectfully submitted,

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT
Department of Law
200 East Main Street
Lexington, Kentucky 40507
(859) 258-3500

BY:


Leslye M. Bowman
Director of Litigation

BY:


David J. Barberie
Corporate Counsel

CERTIFICATE OF SERVICE

I hereby certify that an original and ten (10) copies of this Statement were served by first class U.S. Mail delivery, postage prepaid, to Thomas Dorman, Executive Director, Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; furthermore, it was served by mailing a copy by first class U.S. Mail delivery, postage prepaid, on the following, all on this the 22ND day of July 2003.

Richard S. Taylor, Esq.
Attorney at Law
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Attorney for Columbia Gas
of Kentucky, Inc.

Ann Louise Chevront, Esq.
Assistant Attorney General
Civil & Environmental Division
Public Service Litigation Branch
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Frankfort, KY 40602

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Stanley J. Sagun, Esq.
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Columbus, OH 43216-0117
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James R. Cox, Esq.
Cox, Bowling & Johnson PLLC
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Louisville, KY 40207

FSG Energy Services
6797 North High Street
Suite 314
Worthington, OH 43085

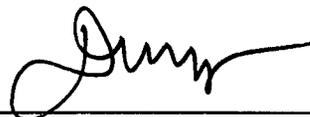
Mr. Jack Burch
Community Action Council for Lexington-
Fayette, Bourbon, Harrison & Nicholas Counties
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Lexington, KY 40576

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Columbus, OH 43215-4213



ATTORNEY FOR LEXINGTON-FAYETTE
URBAN COUNTY GOVERNMENT

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Gillard B. Johnson, III
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Facsimile: 859-255-6903

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Middlesboro, Kentucky 40965
Telephone: 606-248-4666
Facsimile: 606-248-4321

Of Counsel:
D. Eric Lycan

July 10, 2003

Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

RECEIVED

JUL 11 2003

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO.
1999-00165

Dear Sir or Madam:

Enclosed please find an original and seven copies of our First Set of Discovery to Columbia Gas of Kentucky, Inc. in the above-referenced matter. Please file the original and return one file-stamped copy to me in the enclosed envelope. Thank you for your assistance.

Sincerely,



James R. Cox

JRC/lmm
Enclosure

cc John W. Bentine, Esq. (w/ encl.)
Bobby Singh, Esq. (w/ encl.)

RECEIVED

JUL 11 2003

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO.
1999-00165

INTERSTATE GAS SUPPLY, INC.'S
FIRST SET OF DISCOVERY TO
COLUMBIA GAS OF KENTUCKY, INC.

James R. Cox
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Louisville, KY 40207
Phone: 502/721-9555
Fax: 502/721-9517
E-mail: jcox@coxbowlingjohnson.com

Counsel for Petitioner,
INTERSTATE GAS SUPPLY, INC.

Of Counsel:

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E-Mail: jbentine@cwslaw.com

Direct Dial: (614) 334-6121

Bobby Singh, Esq. (0072743)

E-Mail: bsingh@cwslaw.com

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CHESTER WILLCOX & SAXBE LLP

65 East State Street, Suite 1000

Columbus, Ohio 43215-4213

(614) 221-4000 (main number)

(614) 221-4012 (facsimile)

RECEIVED

JUL 11 2003

**PUBLIC SERVICE
COMMISSION**

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
VOLUME GAS TRANSPORTATION SERVICE,	)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

**INTERSTATE GAS SUPPLY, INC.'S
FIRST SET OF DISCOVERY TO
COLUMBIA GAS OF KENTUCKY, INC.**

Interstate Gas Supply, Inc. ("IGS"), Petitioner, in the above-captioned case before the Public Service Commission ("Commission"), submits the following First Set of Discovery, pursuant to the Commission's June 26, 2003, Order in the above-captioned docket, for response from Columbia Gas of Kentucky, Inc. (referred to hereinafter, including in the discovery requests, as "Columbia" or "CKY," and is further defined herein), within the shortest period of time provided for a response to these discovery requests. Columbia must follow the definitions and instructions provided herein in responding to these discovery inquiries.

DEFINITIONS

As used herein the following definitions apply:

1. "Affiliate" means, in relation to any Person, any entity controlled, directly or indirectly, by such Person, any entity that controls, directly or indirectly, such Person, or any entity directly or indirectly under common control with such Person. For this purpose, "control" of any entity or Person includes, but is not limited to, ownership of a majority of the voting power of the entity or Person or by contractual means or otherwise.

2. "Any" means each, every, and all Persons, Documents, places or things to which the term refers.
3. "Burner Tip Cost" means the total cost or charge to Consumers for Columbia's traditional service, including without limitation, the GCR, all Columbia's charges for the delivery of the natural gas commodity to Consumers using Columbia's Distribution Facilities, Any and all and each and every, rider, surcharge, adjustment, and alike.
4. "Choice Base Rate" means the difference between the Burner Tip Cost and GCR cost (Burner Tip Cost minus GCR cost), as the case may be for each applicable and appropriate Consumer class or tariff rate or class.
5. "Choice Program" means the Columbia small volume transportation program, which was approved by the Commission as a pilot program by Orders issued January 27, 2000, March 6, 2000, and May 19, 2000, in Case No. 1999-00165, which is scheduled to run through October 31, 2003.
6. "Columbia" or "CKY" means Columbia Gas of Kentucky, Inc. and all its Affiliates.
7. "Columbia Motion" means the Motion of Columbia Gas of Kentucky, Inc. Requesting Authority To Terminate Its Small Volume Transportation Service, filed before the Commission in Case No. 1999-00165, on June 6, 2003.
8. "Columbia Ohio" means Columbia Gas of Ohio, Inc.
9. "Commission" refers to the Public Service Commission of the Commonwealth of Kentucky, including its Commissioners, staff, personnel, and offices, without limitation.
10. "Communication(s)" means, but is not limited to, all forms of interaction or communication whether written, printed, oral, pictorial, electronic or by any other medium.

11. "Consumer" means all customers, end-users, consumers, without limit, that are eligible to participate in the Choice Program.
12. "Correspondence(s)" means, without limiting its general meaning, all letters, telegrams, faxes, emails, notices, messages, memoranda and other written or electronic Communications.
13. "Distribution Facilities" refers to equipment owned, operated, and/or controlled by Columbia that is directly or indirectly related to or associated with Columbia's provision of natural gas distribution delivery and related services to the end-use customer(s), from all the points of delivery, feed(s), pipeline(s), mainline(s), and/or equipment that serve the customer(s)' location and up to and including the location of the equipment controlled by the customer.
14. "Document(s)" or "Documentation(s)" when used herein, means all originals of any nature whatsoever, identical copies, and all non-identical copies thereof, pertaining to any medium upon which intelligence or information is recorded in your possession, custody, or control regardless of where located; including without limiting the generality of the following: punchcards, printout sheets, movie film, slides, phonograph records, photographs, microfilm, video media, notes, memoranda, ledgers, work sheets, books, magazines, notebooks, diaries, calendars, appointment books, registers, charts, tables, papers, agreements, contracts, purchase orders, checks and drafts, acknowledgments, invoices, authorizations, budgets, analyses, projections, transcripts, minutes of meetings of any kind, correspondence, telegrams, drafts, discs or tapes, and computer produced interpretations thereof, instructions, announcements, schedules, price lists, electronic copies, and mechanical or electric sound recordings and transcripts thereof. In all cases, "Document(s)" or "Documentation(s)" shall also mean all written, printed, reproduced, recorded, typed, graphic, photographic, or electronic matter in your possession, custody, or control, including without limitation books, manuals, pamphlets, periodicals, correspondence, letters, memoranda, faxes, telegrams, electronic mail ("email") messages and attachments, reports, records, studies, transcripts, workpapers, working papers, notes, charts, graphs, indices, data sheets, and all drafts thereof, and every copy of a document which contains handwritten or other notations not otherwise duplicated in the

original or any other copy. In all cases, where originals and/or non-identical copies are not available, "Document(s)" or "Documentation(s)" shall also mean identical copies of original documents and copies of non-identical copies.

15. "GCR" means the cost or charge to Consumers to purchase the natural gas commodity from Columbia under the traditional sales service, including, all riders, adjustments, and alike, without limitation, but excluding any costs or charges for Columbia's delivery of the natural gas commodity to Consumers using Columbia's Distribution Facilities.

16. "Identifications" or "Identify" or "Identity," when used herein shall mean to provide the requested information as the context requires it and when used in reference to: (a) a natural individual, require you to state his or her full name, residential and business address, and business title at the time of any transaction or activity inquired into; (b) a corporation, require you to state its full corporate name and any names under which it does business, its state of incorporation, the address of its principal place of business, and the addresses of all of its offices; (c) a business, require you to state the full name or style under which the business is conducted, its business address or addresses, the type of businesses in which it is engaged, the geographic areas in which it conducts those businesses, and the identity of the person or persons who own, operate, and control the business; (d) a Document or Documentation, require you to state the number of pages and the nature of the document (for example and without limitation, letter or memorandum, its title, its date, the name or names of its authors and recipients, and its present location and custodian, and whether or not it is claimed that such document is privileged and, if so, the type of privilege claimed and a statement of all the circumstances which will be relied on to support such claim of privilege; (e) Correspondence(s), to identify the Document(s) and/or Documentation(s) which refer to or evidence the Correspondence; (f) Communication, if written, to identify the Document(s) or Documentation(s) which refer to or evidence the Communication, and to the extent engaged in orally or otherwise, to provide the date, manner, place, and substance of the Communication.

17. "Person(s)" includes any natural person, corporate entity, firm, partnership, association, joint venture, cooperative, municipality, city, county, irrigation district, drainage district or other

special district or political subdivision, or federal, state or local governmental body, department, or agency, entity or group of persons, unless the context clearly indicates that only an individual person is referred to.

18. "Studies" means without limitation reports, reviews, summaries, analyses and audits, and all drafts and prior versions of such documents.
19. "Transmission Facilities" refers to the feed(s), pipeline(s), mainline(s), and/or equipment whether or not owned, operated, and/or controlled by Columbia or by an Affiliate of Columbia or by any other Person, that delivers natural gas to Columbia's Distribution Facilities.
20. "You" or "Your" or "Yourself" refers to the party to which or whom these discovery requests are directed, including all Affiliates, joint partnerships, corporate parents, subsidiaries, departments, divisions, officers, agents, consultants, employees, contractors, predecessors, successors and assigns, whether present or former.

INSTRUCTIONS FOR ANSWERING

1. EACH RESPONSE, DOCUMENT, OR OBJECTION SHOULD COMMENCE ON A SEPARATE PAGE AND SHOULD BE IMMEDIATELY PRECEDED BY THE CORRESPONDING REQUEST OR SUB-REQUEST TO WHICH IT RESPONDS.
2. For each response, please identify the individual who prepared the response or the Person(s) under whose supervision the response was prepared.
3. For each response, please provide an oath or certification that the response is true and accurate to the best of the preparer's knowledge, information and belief after reasonable inquiry.
4. Each response must be supplemented by timely amendments if subsequent information renders any response incorrect in any material respect.

5. Each request shall be deemed continuing in nature and must be updated immediately upon receipt of any new, further or different information that is responsive to the request.
6. With respect to any request consisting of separate parts or subparts, a complete response to each subpart is required as if the subpart were set forth as a separate request.
7. If any request cannot be answered in full after reasonable inquiry, please provide the response to the extent available, state why the request cannot be answered in full, and provide any information within your knowledge concerning the description, existence, availability, and custody of any unanswered portions.
8. In responding to these requests, please provide information from all files in the possession of, owned by, controlled by, or accessible to you, as well as all files maintained or controlled by officers, employees, agents or consultants or other representatives of your organization.
9. If no information or document is responsive to any request, please so state in the response.
10. If any document requested is not in your possession but you know or believe it to exist, please so state and identify to the best of your ability the last known location of the document and its custodian.
11. If any document requested or related to any request has been destroyed or discarded, please state the date the document was destroyed, the person or entity responsible for its destruction, the reason for its destruction, and provide a description of the contents and length of the document.
12. If any information or Documentation is not available in the exact form requested, please provide any available information or documents that best respond to the request.
13. For any information or Documents maintained by computer or data storage mechanism, please state the name of the file from which the information came, how the data is stored

(CD, diskette, tape, etc.), the computer or media program in which it is stored, the name of the Person who collected or entered the information, and how the Document or information can be transmitted and retrieved.

14. The singular form of a word shall be interpreted as plural, and the plural form as singular, to the extent appropriate in order to respond to the scope of these requests and to make the request inclusive rather than exclusive.

15. "And" and "or" shall be construed either disjunctively or conjunctively as appropriate to respond to the scope of these requests.

16. Any objection to a request should provide a list of all information or documents withheld, describe the character and specific subject matter of the information withheld, including a description of the number of documents withheld and a summary of the information contained in such documents, and should clearly state the specific objection asserted and the grounds on which the objection is based.

INTERROGATORIES

IGS – CKY 1-1:

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please provide responses to the following:

- (a) Identify all the Documents that are the organization charts for Your organization.
- (b) Identify the Person(s) that have Any decision-making authority concerning the nature, scope, planning, continuation, termination, and/or otherwise of or over the Choice Program.

IGS – CKY 1-2:

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please provide responses to the following:

- (a) Identify the methodology and/or formula that You use to calculate Your GCR.
- (b) If the methodology or formula has changed over time, identify the period or duration each methodology and/or formula referred to in subpart (a), above, was or is in effect.

IGS – CKY 1-3:

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please Identify the actual GCR, using units of Mcf (thousand cubic feet), and the period or duration the GCR value provided was or is in effect.

IGS – CKY 1-4:

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please provide responses to the following:

- (a) Identify each and every, and Any and all components, factors, and/or line items that comprise the Burner Tip Cost for each Consumer class or tariff rate or class.
- (b) For each Consumer class or tariff rate or class, using units of Mcf (thousand cubic feet), Identify the actual value of the Burner Tip Cost, and Identify the period or duration that the provided Burner Tip Cost was in effect.

IGS – CKY 1-5:

Starting the earlier of either: (1) January 2000 or (2) the inception of the Choice Program, please provide responses to the following:

- (a) Identify each and every, and Any and all components, factors, and/or line items that comprise Choice Base Rate for each Consumer class or tariff rate or class.
- (b) Using units of Mcf (thousand cubic feet), Identify the actual value of the Choice Base Rate for each Consumer class or tariff rate or class, and Identify the period or duration that the provided Choice Base Rate was in effect.

IGS – CKY 1-6:

Referring to pages 1 and 2 of Columbia's Motion where Columbia indicates that Columbia had consultations with each "Collaborative" member that helped develop the pilot program and marketers participating in the Choice Program (the "consultations"), please provide responses to the following:

- (a) Identify each (1) "Collaborative" member, (2) marketer, and (3) Person(s) other than a "Collaborative" member or marketer, that Columbia consulted with.

- (b) For each Person Identified in subpart (a) above, Identify all Person(s) who are or were representatives of Columbia that had Communications or Correspondences concerning or that participated (whether oral, written, or otherwise) in the consultations.
- (c) For each "Collaborative" member, marketer, and Person(s) identified in subpart (a) above, Identify all Person(s) who are or were representatives of the same identified in subpart (a) above that had Communications or Correspondences concerning or that participated (whether oral, written, or otherwise) in the consultations with Columbia.
- (d) For each "Collaborative" member, marketer, and Person(s) identified in subpart (a) above, Identify: (1) the dates of the consultations; (2) the location of the Identified Person(s), when each of the consultations was made, and (3) the specific subject matter of each of the consultations.
- (e) Identify all Documents and Documentation used, shared, exchanged, referred to, prepared for or received during consultations associated with each "Collaborative" member, marketer, and Person(s) identified in sub-part (a).

IGS – CKY 1-7:

Referring to page 3 of Columbia's Motion, please Identify what Communications and/or Correspondence/Documents Columbia engaged in or provided Persons in support of Columbia's statement that Columbia "advised all those parties of Columbia's intent to file this motion."

IGS – CKY 1-8:

Columbia provided, without priority, to the Commission six goals for the Choice Program (*see, e.g.,* the Commission's January 27, 2000, Order in Case No. 1999-00165, at pg. 3), with reference to the foregoing, please provide responses to the following:

- (a) Please Identify and explain why Columbia believes that the "primary" goal of the pilot program is to provide customers with the "opportunity" to save money, as Columbia has indicated on page 3 of Columbia's Motion.
- (b) Please Identify and explain, in light of the unpredictability of future natural gas commodity costs, why is it that Columbia believes that in comparison to Columbia's periodically varying GCR cost, a long-term fixed commodity rate provided by a supplier does not provide consumers with an "opportunity" to save money.

IGS – CKY 1-9:

With reference to page 3 of Columbia's Motion and referring to page 3 of Columbia's third (June 2, 2003) Customer Choice Program Annual Report to the Commission in which Columbia asserts that "Choice customers have now paid a total of \$3,409,821 more in gas costs than they would have had they been a sales customer of Columbia. This is a grand total from the beginning of the program through March 2003," please provide responses to the following:

- (a) Identify the formula and/or methodology that Columbia utilized to calculate the total amount of \$3,409,821 (the excess in costs relative to Columbia's traditional sales gas costs that, Columbia asserts, Consumers have paid from the beginning of the Choice Program through March 2003).
- (b) Identify the inputs and/or determinants that Columbia applied to the formula and/or methodology referred to in subpart (a) above.
- (c) Identify the Documents wherein Columbia calculated and derived the \$3,409,821 amount.
- (d) Using the formula and/or methodology referred to in subpart (a) herein, Identify the savings and/or cost comparison between Columbia's sales gas costs and the gas costs of suppliers, through June 2003, and Documents evidencing the same.

IGS – CKY 1-10:

Referring to page 13 of Columbia's third (June 2, 2003) Customer Choice Program Annual Report to the Commission, wherein Columbia asserts that to date (June 2, 2003), the Choice Program has resulted in \$17,943,767.00 in Total transition costs, consisting of \$17,617,074.00 in Transition Capacity Costs, \$94,204.00 in Information Technology Costs, and \$232,485.00 in Education Costs, please provide responses to the following:

- (a) By "to date," with regards to Columbia's above-mentioned calculations, is Columbia referring to costs from the beginning of the Choice Program through June 2, 2003? If not, please identify the exact date range that Columbia is referring to.
- (b) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$17,617,074.00 in Transition Capacity Costs, (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.

- (c) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$94,204.00 in Information Technology Costs, (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (d) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$232,485.00 in Education Costs, (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.

IGS – CKY 1-11:

Referring to page 13 of Columbia's third (June 2, 2003) Customer Choice Program Annual Report to the Commission, Columbia asserts that to date (June 2, 2003), the Choice Program has resulted in \$19,616,583.00 in Total Revenues to Off-Set Stranded Costs, consisting of \$6,829,741.00 from Off-System Sales, \$2,637,822.00 from Balancing Charges, \$757,894.00 from Marketer Contribution, and \$9,391,126.00 from Capacity Assignment, please provide responses to the following:

- (a) By "to date," with regards to Columbia's above-mentioned revenues, is Columbia referring to revenues from the beginning of the Choice Program through June 2, 2003? If not, please provide the exact date range that Columbia is referring to.
- (b) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$19,616,583.00 in Total Revenues to Off-Set Stranded Costs, including Documents setting forth each transaction and the Person(s) that were the parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (c) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$6,829,741.00 from Off-System Sales, including Documents setting forth each transaction and parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (d) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$2,637,822.00 from Balancing Charges, including each transaction and the Person(s)

that were the parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.

- (e) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$757,894.00 from Marketer Contribution, including Documents setting forth each transaction and the Person(s) that were the parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.
- (f) Identify: (i) the Documents setting forth Columbia's calculation, derivation, and/or tracking of the \$9,391,126.00 from Capacity Assignment, including Documents setting forth each transaction and the Person(s) that were the parties to the transaction(s), (ii) the Person(s) responsible for calculating, deriving, and/or tracking the same, and (iii) the Person(s) responsible for verifying and/or overseeing the accuracy of the same.

IGS – CKY 1-12:

For the period beginning five (5) years before the inception of the Choice Program through June 2003, please: (i) Identify Any and all, and each and every off-system-sales transaction, including non-GCR sales, by Columbia, and (ii) Identify Any and all the Documents evidencing the same, including Documents setting forth each transaction and the Person(s) that were parties to the transaction.

IGS – CKY 1-13:

Since January 2002, have any suppliers had Any Communications with Columbia about participating in the Choice Program? If yes, please provide responses to the following:

- (a) Identify the supplier(s) that had Communications with Columbia regarding participating in the Choice Program.
- (b) What was or were the nature and/or substance of Columbia's Communications with the supplier Identified in subpart (a) above?

IGS – CKY 1-14:

Please respond to the following requests:

- (a) Since January 2001, please Identify and explain what efforts and/or plans, if any, Columbia has made and/or effectuated to attract and/or induce suppliers to participate in the Choice Program?
- (b) If Columbia has not made and/or effectuated any such efforts and/or plans to attract and/or induce suppliers to participate in the Choice Program, please explain why Columbia has not expended any efforts and/or effectuated any such plans.

IGS – CKY 1-15:

Referring to page 7 of Columbia's Motion, where Columbia requests that the Commission permit Columbia to terminate the Choice Program and allow Columbia to: (1) retain 35% of the off-system sales revenues with the remainder credited to sales customers and (2) similarly share capacity release revenues, subject to a certain benchmark (collectively (1) and (2), "Columbia's Pre-Choice Shared Revenues"), please respond to the following requests:

- (a) For the five (5) years prior to the implementation of the Choice Program, please Identify for each year Any and all Columbia's Pre-Choice Shared Revenues and Identify Any and all the Documents evidencing the same, including Documents setting forth each transaction and the Person(s) that were parties to the transaction.
- (b) Has Columbia performed or otherwise discussed, whether formally or informally, any Studies that compare or otherwise consider the impact on revenues to Columbia as between the revenues from Columbia's Pre-Choice Shared Revenues and the revenues to Columbia from the revenue sharing mechanisms under the Choice Program? If yes, please Identify the results or conclusions from such Studies and the Identify the Documents evidencing the same. If no Studies were performed, but Communications or Correspondence were had discussing the same, please Identify the Person(s) that participated in these Communications and Identify the Correspondence or Documents evidencing the same.

REQUEST FOR PRODUCTION OF DOCUMENTS

DR: IGS-CKY 1-1:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-1(a).

DR: IGS-CKY 1-2:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-6(e).

DR: IGS-CKY 1-3:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-7.

DR: IGS-CKY 1-4:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-9(c).

DR: IGS-CKY 1-5:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-9(d).

DR: IGS-CKY 1-6:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-10(b).

DR: IGS-CKY 1-7:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-10(c).

DR: IGS-CKY 1-8:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-10(d).

DR: IGS-CKY 1-9:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(b).

DR: IGS-CKY 1-10:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(c).

DR: IGS-CKY 1-11:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(d).

DR: IGS-CKY 1-12:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(e).

DR: IGS-CKY 1-13:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-11(f).

DR: IGS-CKY 1-14:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-12.

DR: IGS-CKY 1-15:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-15(a).

DR: IGS-CKY 1-16:

Provide copies of or make available for inspection and copying, all Documents and Documentation that are the subject of IGS-CKY 1-15(b).

Respectfully submitted,



James R. Cox
COX BOWLING & JOHNSON PLLC
209 Breckenridge Lane
Louisville, KY 40207
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Fax: 502/721-9517
E-mail: jcox@coxbowlingjohnson.com

Counsel for Petitioner,
INTERSTATE GAS SUPPLY, INC.

Of Counsel:

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Direct Dial: (614) 334-6121

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E-Mail: bsingh@cwslaw.com
Direct Dial: (614) 334-6122

CHESTER WILLCOX & SAXBE LLP
65 East State Street, Suite 1000
Columbus, Ohio 43215-4213
(614) 221-4000 (main number)
(614) 221-4012 (facsimile)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Interstate Gas Supply, Inc.'s First Set of Discovery To Columbia Gas of Kentucky, Inc. was mailed, postage prepaid to the below listed persons on July 10, 2003.



Counsel for Petitioner

SERVICE LIST

Stephen B. Seiple, Esq.
Senior Attorney
Columbia Gas of Kentucky
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Lexington, KY 40512

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Frankfort, KY 40601

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Edward W. Gardner, Esq.
Lexington-Fayette Urban County
Government
Department of Law
200 East Main Street
Lexington, KY 40507

Attorney General for the Commonwealth
of Kentucky
ATTN: Bob Gray, Director
Rate Intervention
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Frankfort, KY 40601

Joe F. Childers
Community Action Council for
Lexington-Fayette, Bourbon, Harrison &
Nicholas Counties, Inc.
Suite 310, 201 West Short Street
Lexington, KY 40507

Hon. David F. Boehm
Boehm, Kurtz & Lowry
2110 CBLD Center
36 East Seventh Street
Cincinnati, OH 45202

Hon. Anthony G. Martin
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Hon. Ann Louise Cheuvront
Assistant Attorney General
Civil & Environmental Division
Public Service Litigation Branch
P.O. Box 2000
Frankfort, KY 40602

Commonwealth Energy Services
5th Floor, 745 West Main Street
Louisville, KY 40202

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

RECEIVED

JUL 10 2003

PUBLIC SERVICE
COMMISSION

July 10, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Dorman:

Pursuant to the Commission's Orders in Case No. 1999-165, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits the rates currently being marketed by participating suppliers in Columbia's Customer CHOICESM program.

Interstate Gas Supply (IGS) - Not enrolling customers

MX Energy - Fixed price of \$9.99/Mcf thru March 2004

CAC Buyers Club - Variable price \$7.67/ Mcf; no term

If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

July 10, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
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Frankfort, KY 40602

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If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper

cc: Becky Phillips

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

RECEIVED

JUL 10 2003

PUBLIC SERVICE
COMMISSION

In the Matter of:)
)
THE TARIFF FILING OF COLUMBIA GAS)
OF KENTUCKY, INC. TO IMPLEMENT A)
SMALL VOLUME GAS TRANSPORTATION)
SERVICE, TO CONTINUE ITS GAS COST)
INCENTIVE MECHANISMS, AND TO)
CONTINUE ITS CUSTOMER ASSISTANCE)
PROGRAM)

CASE NO. 1999-00165

**CAC'S FIRST INTERROGATORIES AND REQUEST FOR
PRODUCTION OF DOCUMENTS TO
COLUMBIA GAS OF KENTUCKY, INC.**

Comes CAC, by counsel, and hereby serves its first interrogatories upon Columbia Gas of
Kentucky, Inc.

DEFINITIONS

- A. "Company" or "Columbia Gas of Kentucky" means Columbia Gas of Kentucky, Inc., its attorneys, agents, representatives, and anyone else acting on behalf of Columbia Gas of Kentucky, Inc..
- B. "Person" or "Persons" means all entities of every description and includes any natural person, corporation, partnership, association, company, estate, trust, group, organization, business and/or governmental entity or agency (public or private) having a separate identification, recognized in law or fact.
- C. As used herein, "document" means the original (or a copy if the original no longer exists

or cannot be obtained) and all non-identical copies (even if the only difference between the original and copy is some notation or underscoring contained in or on the document) of any writing or record, including but not limited to, a book, periodical, pamphlet, paper, file, report, study, survey, letter, telegram, minutes memorandum, summary, interoffice or intraoffice communication, index, memorandum reflecting an oral conversation, handwritten or other notes, working paper, draft, application, permit, chart, paper, graph, map, film, videotape, slide, recording, disc, tape, data sheet, data processing card, computer printout, or any other written, recorded, transcribed, filed, or graphic matter, however produced or reproduced in the company's possession.

- D. "And" and "or" are to be construed both conjunctively and disjunctively. The singular form of a noun or pronoun includes the plural form and vice versa. The term "all" shall also include "each" and vice versa.

INTERROGATORIES AND REQUEST FOR DOCUMENTS

1. Please state the name, address, telephone number and position within the company of each person answering each interrogatory below and responsible for producing all documents requested herein.
2. Columbia Gas of Kentucky asserts in its motion to terminate the Choice program that "in the aggregate customers have not saved money and the first goal of the pilot program has not been successfully achieved." The company does acknowledge, however, that "individual customers may have saved money."
 - a. Since the inception of the Choice program please provide, for each marketer active in the program, a monthly breakdown of the price offered

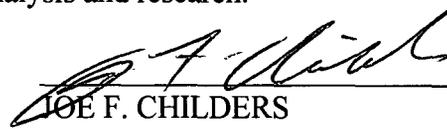
by that marketer and the price offered during the same period by Columbia Gas of Kentucky.

- b. Please state the basis for the company's assertion that "customers have not saved money." Also, please provide the calculations and produce all documents evidencing the source data that the company used in arriving at this assertion, or which support the company's assertion.. In doing so, please disaggregate the calculations and data by marketer.
 - c. For each marketer, please provide the aggregate amount of money charged that marketer's customers for gas from the inception of the program through June 30, 2003 and also provide the aggregate amount that would have been charged that marketer's customers by Columbia Gas of Kentucky during the same period.
3. Do you agree that Community Action Council Buyers Club, Inc. has undersold Columbia Gas of Kentucky's price in nearly every month since the Buyers Club became a marketer in the Choice program?
4. If your answer to question 2 is yes, please state every fact upon which the company has relied for its assertion that it does not "foresee any likelihood that customers will realize significant savings in the immediate future?" If your answer to question 2 is no, please state every fact upon which you relied in answering no to the question and produce all documents upon which you rely for your answer.
5. Do you agree that customers of the Community Action Council Buyers Club, Inc. do stand to "realize significant savings in the immediate future?" If your answer is no, please

explain.

6. Please list all facts upon which the company relied, provide the rationale for the statement, and produce all documents which support the statement in the company's motion that "the collection of stranded costs from customers is not a viable long-term alternative that Columbia wishes to pursue."
7. In Attachment 2 to its motion, Columbia Gas of Kentucky projects a substantial drop in off-system sales (from almost \$7 million to approximately \$800,000). Please list all facts and produce all documents from which those facts were drawn, which support this projection.
8. There are similar "choice" programs in other jurisdictions in which Columbia's affiliated companies operate. Did the company undertake any efforts to determine whether there were elements of any of these programs that if incorporated in the Kentucky program would mitigate the factors leading the Company to conclude that the customer choice program should be terminated? If your answer is yes, please state the names and jurisdictions of the programs reviewed, describe the efforts undertaken, and provide the results of any such analysis, which shall include the reasons why any such factors were rejected for inclusion in the Kentucky program. If your answer is no, please provide the reasons the company chose not to undertake any such efforts.
9. Did Columbia Gas of Kentucky conduct any analysis or research to determine if the customer choice program could be improved? If your answer is yes, please provide the results of such analysis and research, and produce any documents which evidence the results of such analysis and research. If your answer is no, please state the reasons why

the company chose not to conduct such analysis and research.



JOE F. CHILDERS
201 W. Short Street
Suite 310
Lexington, KY 40507
(859) 253-9824

ATTORNEY FOR CAC

CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing document has been served on the parties to this proceeding by mailing the same to the following persons:

Stephen B. Seiple, Esq.
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P.O. Box 14241
Lexington, KY 40512-4241

Richard S. Taylor, Esq.
Attorney at Law
225 Capital Avenue
Frankfort, KY 40601

Douglas M. Brooks, Esq.
Louisville Gas & Electric Co.
220 West Main Street
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John M. Dosker, Esq.
Stand Energy Corporation
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Richard S. Minch
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Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P.O. Box 14241
Lexington, KY 40512-4241

Jack E. Burch
Executive Director
Community Action Council
P.O. Box 11610
Lexington, KY 40576

James R. Cox, Esq.
209 Breckenridge Lane
Louisville, KY 40207

on this the 10th day of July, 2003.



JOE F. CHILDERS

Columbia Gas[®]
of Kentucky

A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

July 10, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED

JUL 10 2003

PUBLIC SERVICE
COMMISSION

RE: Case No. 1999-00165

Dear Mr. Dorman:

Please find enclosed an original and ten copies of Columbia's Initial Interrogatories to Interstate Gas Supply, Inc., pursuant to the Commission's Procedural Schedule issued by Order dated June 26, 2003. A Certificate of Service is attached to the Interrogatories.

Columbia respectfully continues its requests for a decision by the Commission as soon as possible in order to advance its planning for 2004 and beyond. If you have any questions, please give me a call at (859) 288-0242.

Sincerely,



Judy M. Cooper
Manager, Regulatory Policy

(2) All answers to interrogatories and documents produced shall be served upon Columbia at the offices of its attorneys in this proceeding:

Stephen B. Seiple
200 Civic Center Drive
P.O. Box 117
Columbus, OH 43216-0117
Telephone: (614) 460-4648
Fax: (614) 460-6986
Email: sseiple@nisource.com

Richard Taylor
225 Capital Avenue
Frankfort, KY 40601
Telephone: (502) 223-8967
Fax: (502) 226-6383
Email: attysmitty@aol.com

(3) You are reminded that all answers must be made separately and fully, and that an incomplete or evasive answer is a failure to answer.

(4) You are under a continuing duty to seasonably supplement your response with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, the identity of any person expected to be called as an expert witness at hearing, and the subject matter of which he is expected to testify, and to correct any response which you know or later learn is incomplete or incorrect.

(5) All information is to be divulged which is in your possession or control or within the possession and control of your attorneys, investigators, agents, employees, or other representatives of you or your attorney.

(6) Where an interrogatory calls for an answer in more than one part, each part should be separated in the answer so that the answer is clearly understandable.

(7) Where an objection is interposed to any interrogatory, request for production of documents or part thereof, answer the interrogatory, request for production of documents or all parts thereof to the extent not objected to.

(8) Identification. As used herein, the terms "identification," "identify," or "identity," when used in reference to (a) a natural individual, require you to state his or her full name and residential and business address; (b) a corporation, require you to state its full corporate name and any names under which it does business, its state of incorporation, the address of its principal place of business, and the address of all of its offices in Ohio; (c) a business, require you to state the full name or style under which the business is conducted, its business address or addresses, the types of businesses in which it is engaged, the geographic areas in which it conducts those businesses, and the identity of the person or persons who own, operate, and control the business; (d) a document, require you to state the number of pages and the nature of the document (e.g., letter of memorandum). Its title, its date, the name or names of its authors and recipients, and its present location and custodian; (e) a communication, require you, if any part of the communication was written, to identify the document or documents which refer to or evidence the communication, and, to the extent that the communication was non-written, to identify the person participating in the communication and to state the date, manner, place, and substance of the communication.

(9) Identification of documents. With respect to each interrogatory, in addition to supplying the information requested, you are to identify all documents that support, refer to, or evidence the subject matter of each interrogatory and your answer thereto.

If any or all documents identified herein are no longer in your possession, custody, or control because of destruction, loss, or any other reason, then do the following with respect to each and every such document: (a) describe the nature of the document (e.g., letter of memoran-

dum); (b) state the date of the document; (c) identify the persons who sent and received the original copy of the document; (d) state in as much detail as possible the contents of the document; and (e) state the manner and date of disposition of the document.

If you contend that you are entitled to withhold from production any or all documents identified herein on the basis of the attorney-client privilege, the work-product doctrine, or other ground, then do the following with respect to each and every document; (a) describe the nature of the document (e.g., letter of memorandum); (b) state the date of the document; (c) identify the persons who sent and received the original and a copy of the document; (d) state the subject matter of the document; and (e) state the basis upon which you contend you are entitled to withhold the document from production.

(10) Representative. As used herein, the term "representative" means any and all agents, employees, servants, officers, directors, attorneys, or other persons acting or purporting to act on behalf of the person in question.

(11) Person. As used herein, the term "person" means any natural individual in any capacity whatsoever or any entity or organization, including divisions, departments, and other units therein, and shall include, but not be limited to, a public or private corporation, partnership, joint venture, voluntary or unincorporated association, organization, proprietorship, trust, estate, governmental agency, commission, bureau, or department.

(12) Document. As used herein, the term "document" means any medium upon which intelligence or information can be recorded or retrieved, and includes, without limitation, the original and each copy, regardless of origin and location, of any book, pamphlet, periodical, let-

ter, memorandum (including any memorandum or report of a meeting or conversation), invoice, bill, order form, receipt, financial statement, accounting entry, diary, calendar, telex, telegram cable, report, record, contract, agreement, study, handwritten note, draft, working paper, chart, paper, print, laboratory record, drawing, sketch, graph, index, list, tape, photograph, microfilm, data sheet or data processing card, electronic mail, computer discs or tapes, or computer-produced interpretations thereof, or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody, or control or which was, but is no longer, in your possession, custody, or control.

(13) Communication. As used herein, the term "communication" means any oral or written utterance, notation, or statement of any nature whatsoever, by and to whomsoever made, including, but not limited to, correspondence, conversations, dialogues, discussions, interviews, consultations, agreement, and other understandings between or among two or more persons.

(14) Contention Interrogatories. When an interrogatory requires you to "state the basis of" a particular claim, contention, or allegation, state in your answer the identity of each and every communication and each and every legal theory that you think supports, refers to, or evidences such claim, contention, or allegation.

(15) The Word "Or." As used herein, the word "or" appearing in an interrogatory should not be read so as to eliminate any part of the interrogatory, but, whenever applicable, it should have the same meaning as the word "and." For example, an interrogatory stating "support or refer" should be read as "support and refer" if an answer that does both can be made.

INTERROGATORIES

(1) Has IGS retained the services of any consultants for purposes of analyzing the issues in these cases, or for the purpose of assisting IGS with the preparation of testimony? If so, with respect to each and every consultant do the following:

- (a) Identify him or her;
- (b) State the subject matter about which he or she has been retained to assist IGS.

(2) With the regard to the Petition of Interstate Gas Supply, Inc. to Continue and Make Permanent the Choice Program of Columbia Gas of Kentucky, Inc., filed with the Kentucky Public Service Commission in docket number 1999-00165 on June 12, 2003 (the "Petition"), IGS states on p. 4 that, "IGS discontinued accepting new enrollments pending resolution of Columbia's restrictive mandatory capacity filing." On what date did IGS discontinue accepting new enrollments?

(3) On p. 4 of the Petition IGS states that, "upon settlement of the mandatory capacity issue, IGS began accepting new enrollments,..." On what date did IGS begin accepting new enrollments?

(4) How many customers did IGS have enrolled under Columbia's Choice program on April 1, 2003?

(5) How many customers did IGS have enrolled under Columbia's Choice program on July 10, 2003?

(6) Describe IGS's marketing efforts to enroll customers under the Choice program subsequent to June 1, 2003.

(7) On p. 4 of the Petition, IGS states, "marketers have been reluctant to commit resources to enter and participate in the Columbia market."

(a) Identify the individual marketers that IGS knows to have been reluctant to commit resources to enter and participate in the Columbia market.

(b) For each marketer identified in the response to Interrogatory number 7(a) above, identify the individual associated with each marketer who conveyed this impression to IGS, and the date of the communication.

(8) Page 4 of the Petition refers to price options available to customers. Please provide all the price options that IGS currently makes available to customers under Columbia's Choice program.

(a) Have these price options been revised since January 1, 2003?

(b) If the answer to Interrogatory number 8(a) above is affirmative, please describe all the revisions to the price options since January 1, 2003.

(9) List all states in which IGS sells natural gas supplies to end-user customers.

(10) On p. 5 of the Petition, IGS states that it "has made substantial investments in both software and in developing a customer service department to serve and assist IGS's enrolled customers.

(a) Describe the software investment referenced on p. 5 of the Petition.

- (b) What is the amount of the software investment referenced on p. 5 of the Petition?
- (c) Is the software referenced in the responses to Interrogatory Nos. 10(a) and (b) used only for servicing and assisting IGS customers enrolled in Columbia Gas of Kentucky's Choice program, or is the software also used by IGS to serve customers other than Columbia Gas of Kentucky's Choice customers?
- (d) Describe the customer service department developed to serve IGS's Kentucky customers, referenced on p. 5 of the Petition.
- (e) Does IGS have a customer service department physically located in Kentucky? Please list all the physical locations in which IGS maintains a customer service department.
- (f) What is the amount of the investment made in the customer service department referenced on p. 5 of the Petition?
- (g) Does the customer service department service and assist only IGS customers enrolled in the Kentucky Choice program, or does the customer service department also service and assist IGS customers in other states?

(11) On p. 9 of the Petition IGS states that it has relied on Kentucky local production as part of IGS's overall delivery portfolio. Please specify by month, for each month that IGS has participated in the Kentucky Choice program, the volumes of Kentucky local production used as part of the delivery portfolio used to serve IGS's Kentucky customers.

(a) For these same months, please identify the percentage of IGS's overall delivery portfolio for the Kentucky Choice program that is comprised of Kentucky local production.

(12) Please provide the monthly calculations that support the savings of \$1,605,069.81 referenced on p. 10 of the Petition.

(13) Please provide the monthly calculations that support the savings of \$2.7 million referenced on p. 10 of the Petition.

Respectfully submitted by

COLUMBIA GAS OF KENTUCKY, INC.

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Attorneys for
COLUMBIA GAS OF KENTUCKY, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Interrogatories was served upon all parties of record by regular U.S. Mail this 10th day of July, 2003.

Stephen B. Seiple (gmc)
Stephen B. Seiple
Attorney for
COLUMBIA GAS OF KENTUCKY, INC.

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MARY R. HARVILLE

July 10, 2003

Thomas M. Dorman, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

JUL 10 2003

PUBLIC SERVICE
COMMISSION

Re: *In the Matter of: The Tariff Filing of Columbia Gas of Kentucky, Inc. to Implement a Small Volume Gas Transportation Service to Continue its Gas Cost Incentive Mechanisms, and to Continue its Customer Assistance Program, Case No. 1999-00165.*

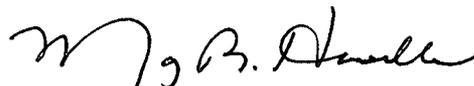
Dear Mr. Dorman:

Enclosed for filing in the above action are the original and ten photocopies of the following documents:

1. Leave for Full Intervention of The National Energy Marketers Association;
2. Motion for Admission Pro Hac Vice of Mr. Craig G. Goodman and Memorandum in Support;
3. Motion for Admission Pro Hac Vice of Ms. Stacey L. Rantala and Memorandum in Support; and
4. Motion for Admission Pro Hac Vice of Ms. Heather L. Master and Memorandum in Support;

Please file stamp the extra copies of each of these documents and return them to me in the self-addressed, postage-prepaid envelope which I have provided. Thank you for your assistance in this matter.

Sincerely,



Mary R. Harville

MRH/kmc
Enclosures
cc: Craig G. Goodman

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL 10 2003

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO.
1999-00165

LEAVE FOR FULL INTERVENTION
OF THE NATIONAL ENERGY MARKETERS ASSOCIATION

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Local Counsel for Intervenor,
National Energy Marketers Association

Counsel for Intervenor:

Craig G. Goodman, Esq., President
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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
VOLUME GAS TRANSPORTATION SERVICE	)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

**LEAVE FOR FULL INTERVENTION
OF THE NATIONAL ENERGY MARKETERS ASSOCIATION**

Pursuant to 807 KAR 5:001 Section 3(8) the National Energy Marketers Association (“NEM”) respectfully moves for Leave for Full Intervention in the above-captioned matter. NEM requests that its Leave for Full Intervention be granted for the reasons set forth herein.

Contact Information

As required by 807 KAR 5:001 Section 3(8), the person and party seeking intervention is provided below, and communications and correspondence should be directed to the following:

Craig G. Goodman, Esq., President
Stacey L. Rantala, Esq.
Heather L. Master, Esq.
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hmaster@energymarketers.com.

Introduction

Through prior Orders in this proceeding, the Commission approved a small volume transportation program (“Choice Program”) proposed by Columbia Gas of Kentucky, Inc.

("Columbia"), which is to operate as a pilot program through October 31, 2004. On June 6, 2003, Columbia filed a motion requesting Commission approval to terminate its pilot Choice Program effective March 31, 2004 ("Columbia's Petition"). On June 12, 2003, Interstate Gas Supply, Inc. ("IGS") filed a petition requesting that the Choice Program be continued permanently ("IGS's Petition"). NEM supports IGS's Petition and respectfully seeks intervention for the reasons more fully discussed below.

NEM Background

NEM is a national, non-profit trade association representing both wholesale and retail marketers of natural gas and electric energy and energy-related products, services, information and technologies throughout the United States. NEM's membership includes small regional marketers, large traditional international wholesale and retail energy suppliers (as well as wind and solar power), billing and metering firms, Internet energy providers, energy-related software developers, risk managers, energy brokerage firms, information technology providers and manufacturers and suppliers of advanced distributed generation. NEM's membership includes companies that are both affiliated to and unaffiliated with traditional utility companies.

This regionally diverse, broad-based coalition of energy and technology firms has come together under the NEM's auspices to forge consensus and to help eliminate as many issues as possible that would delay or prevent competition. NEM is committed to working with representatives of state and federal governments, large and small consumer groups and utilities to devise fair and effective ways to implement the competitive restructuring of electricity and natural gas markets. NEM and its members appear before state public utility commissions, the Federal Energy Regulatory Commission and legislative bodies throughout the nation.

Columbia's Petition Should Be Denied

Columbia filed an application for the early termination of its small volume gas transportation program effective March 31, 2004. Columbia argues that the pilot program should be terminated because: 1) "in the aggregate customers are not saving money;" 2) Columbia would likely incur "substantial" stranded costs if the program were to run beyond March 31, 2004; 3) due to the workings of storage contracts, March 31, 2004, is the logical time to conclude the program. Columbia further requests: 1) to limit marketer participation in the program to the existing participants; 2) to no longer make customer lists available to marketers; and 3) to educate customers about the termination of the program. For the reasons set forth below, NEM submits that Columbia's Motion should be denied and that the pilot program should be permitted to continue indefinitely.

Columbia asserts that customers in the aggregate have not achieved savings in the program and therefore the program should be terminated. However, Columbia does recognize that individual customers have achieved savings. The individual customers that did achieve savings (by Columbia's definition) should not be denied the ability to achieve similar savings in the future from competitive options. Additionally, contrary to Columbia's assertion, one of the marketers participating in the program states that, "[a]s of April 2003, IGS estimates that it has provided its customers with savings in excess of \$2.7 million."¹

Furthermore, without conceding that Columbia's savings analysis is correct, NEM submits that the value of choice programs to customers is not limited solely to savings. Rather, customers also benefit from the opportunity to choose additional value-added offerings from competitive

¹ Petition of IGS at page 10.

suppliers, such as fixed rate plans or plans that guarantee a percentage savings from Columbia's rate. In its Customer Choice Program Annual Report, Columbia states that, "[a]s of May 2003, the latest numbers available, 46,095 customers representing approximately 33% of eligible customers had enrolled with a marketer." (Report at page 2). The sheer volume of migration to competitive marketers clearly reveals that Kentucky consumers feel they receive value from participation in the program. Columbia states with respect to the choice program that in recent months, "[f]or numerous customers, the fixed price rate they paid exceeded Columbia's gas cost." (Report at pages 2-3). NEM submits that this analysis fails to recognize that certain customers place a premium on receiving a fixed rate for gas and feel they derive value from the program in that manner.

Columbia also asserts that it would incur substantial stranded costs if the program were permitted to continue beyond March 31, 2004, and thereby violate the revenue neutrality principle embodied in the order establishing the program. However, Columbia notes that stranded costs are currently over-funded by \$1.67 million. Columbia projects that for the period of May 2003 through March 2004 it will accrue further stranded cost over-funding in the amount of \$542,403. (Attachment 2). As a result, Columbia projects total stranded cost over-funding of \$2,215,219 by March 2004. (Id.) Columbia has failed to provide any evidence that it will incur these supposed "substantial" stranded costs but rather that it has received and will continue to receive a net benefit.

With respect to stranded costs, NEM submits that revenues lost due to migration should be calculated and netted against benefits after actual migration has occurred. NEM submits that once the Commission determines that a reasonable migration level has occurred, then a calculation of the difference between the revenues that the utility would have received using fully embedded cost-based rates and the revenues actually received by the utility due to lost sales of specific services from the menu of competitive products, services, information and technology that each customer

actually elects to purchase from a competitive supplier should be compared to determine the maximum amount of potentially "qualifying revenue losses" that must be netted against benefits and thereafter may be arguably recoverable, subject to the following qualifications:

1. The utility must show that the costs are material.
2. The utility must demonstrate that they have productively managed and reasonably mitigated costs in the subject areas.
3. The utility must not be earning in excess of their earnings/sharing cap, and
4. The utility must identify specifically which costs or revenue losses are a result of (a) the utility being required to provide Provider of Last Resort services and/or (b) the utility's need to provide fully bundled services to customers that do not migrate, and
5. The utility must quantify the net benefits associated with the costs saved by not serving migrating load.

After the qualifying revenue losses have been calculated in this fashion, Columbia should file with the Commission a proposal to recover these costs, if any, in the form of a competitively neutral charge spread properly over all users of its distribution system.

Columbia further argues that the program should be terminated in March 2004 because of the way storage contracts work. However, Columbia previously argued and the Commission accepted that October 31, 2004, was a logical end date for the pilot program because, "the October 31, 2004 termination corresponds to the expiration of most of its long-term capacity contracts." March 6, 2000 Order at page 2. Early termination of the program would run contrary to this rationale.

NEM submits that Columbia has failed to raise a compelling argument for the termination of the program, early or otherwise. On the contrary, NEM urges the Commission to continue, expand and make permanent the Columbia Choice Program. NEM also supports comments made in the IGS Petition. The continuation, expansion and permanent institution of the program is fair, equitable and in the public interest because the program is offered on a voluntary basis and provides customers an opportunity for savings as well as the opportunity to receive other value-added

offerings. Customers that have benefitted from participation in the program as well as prospective customers should not be denied the opportunity to lower energy costs and enjoy true competition for their energy-related needs. The fact that consumers, the utility and participating marketers have all benefitted from the operation of the program should be clear and convincing evidence of its success and value to the public. It would be contrary to the public interest and good public policy and governance to terminate a choice program that has achieved significant success in the short time since its implementation. Moreover, eliminating or proposing to eliminate a successful program after private capital has been invested to serve consumers in the state of Kentucky increases the risk of doing business in the state substantially, making it even more difficult to raise investment capital in the future.

From a broad perspective, choice programs such as those offered in the Columbia service territory provide consumers with a myriad of benefits, not limited to savings. These benefits include access to innovative new offerings of products, services, information and technology. Access to these new offerings permit consumers to gain greater control over their energy bill. Furthermore, as more alternative energy suppliers invest in serving customers in this market (as will become more likely when the program is granted permanent status), competitive forces will provide consumers with better price and service options. Lower energy prices lower the cost of doing business in the state thus permitting local companies to better compete, attract new businesses, increase job opportunities and increase state tax revenues. Consumers are smart enough to compare prices, quality of service, reputation and technological innovation. The ability to do business when you want, with whom you want, and then to buy what you want is one of the greatest consumer protections government can offer.

NEM notes that even the objectives established by Columbia and accepted by the Commission in its Order approving the program have been met.² NEM further submits that a permanent program will promote these and other goals for the benefit of all Kentucky consumers in this service territory. The choice program has provided an opportunity for consumer savings and has also provided an opportunity for consumers to choose different value-added offerings such as fixed rate plans or plans that guarantee a percentage savings from Columbia's rate. One of NEM's members, IGS, projects that it has saved customers \$2.7 million as of April 2003,³ provided consumers with a choice of rate options, and is the largest supplier in the program that has experienced a 33% migration rate, all of which demonstrates the value customers place on this program. Furthermore, Columbia's own Motion reveals that it has benefitted from the operation of the program through the accrual of net stranded benefits estimated at \$2,215,219 by March 2004.

Consumers should not be penalized so that Columbia may engage in off-system-sales and keep 25% of the revenues from the sales, in exchange for absorbing stranded costs that Columbia currently estimates at negative 2.2 million dollars. Columbia's desire to further profit from off system sales should not be a reason to terminate the program and penalize current and prospective consumers who wish to save energy costs.

NEM submits that the Commission should continue and expand the program on a permanent basis subject to the review process outlined in its initial Order approving the program. In that Order the Commission decided,

² These goals are: 1) an opportunity for consumers to save money on gas bills; 2) provide marketers with flexibility to provide savings by permitting marketers to use their own interstate capacity; 3) revenue neutrality for Columbia with the opportunity for the utility to recover stranded costs; 4) recovery of stranded costs should be transparent to the customer; 5) sales customers should not bear additional charges because of the implementation of the program; and 6) provision of customer education on the operation of the program. (January 27, 2000, Order Approving Program).

³ Petition of IGS at page 10.

In order for rates to be as transparent as possible at the earliest possible time, the Commission finds that a review of costs and rates should be initiated before the end of the proposed five-year program period. A period of three years is a suitable amount of time for the program to progress beyond its initial stages, for customer participation to move at least past the introductory level, and for Columbia to gather preliminary information concerning costs involved in providing small volume transportation service relative to sales service. Because such information will be available at that time, the Commission will then begin the process of retaining an outside consultant, as authorized by KRS 278.255, to review all aspects of the Customer Choice program, to review the issue of a competitive marketplace, and to conduct a fully allocated cost-of-service study that will show what, if any, rates will need to be rebalanced in order to correctly represent costs to provide service.

In addition to the cost review process that will begin at the end of the three-year period and conclude prior to the end of the five-year pilot period, any necessary modifications to the program itself and approved financial model will also be considered. The cost recovery that has occurred through the acceptable revenue opportunities of capacity assignment, balancing charges, off-system sales, and marketer contributions will be reviewed, and a recommendation made as to whether this method of stranded cost recovery should be continued or modified. Once the consultant's review and report have been completed, the Commission will initiate a proceeding wherein Columbia and other parties may address the results of the consultant's report and other issues relating to the Customer Choice program as identified by the Commission at that time. (emphasis added).

The language quoted above demonstrates the Commission's intention of initiating a formal review of the program that would improve the program for consumers and anticipates its implementation on a permanent basis. NEM urges the Commission to review the program to gain a full and unbiased appreciation of the value that customers, the utility and marketers have derived thus far. The abrupt termination of a successful program would violate Commission precedent and undermine the investment climate in the state for new businesses. NEM offers its, "*National Guidelines for*

Unbundling and Restructuring the Natural Gas Distribution Function,⁴ for consideration in the review process.

For the foregoing reasons, NEM urges the Commission to continue, expand and make permanent implementation of the choice program and opposes the Motion of Columbia for early termination of the choice program.

Basis For Full Intervention

NEM, as a representative of a regionally diverse group of providers of energy and energy-related services, has an interest to advocate the implementation of rates, tariffs, operating procedures, standards of conduct, rules and policies that will ensure the development and maintenance of an efficient, reliable and price competitive electricity market on Columbia's system. As natural gas marketers and providers of energy-related services and technologies, some of NEM's members are presently serving, and others intend to serve customers in the Kentucky natural gas market, including the Columbia Choice Program and the residential and small commercial market segments in other Kentucky utilities. Although IGS is a NEM member, NEM represents other and broader interests than IGS. The ability of other NEM members to fairly compete in the natural gas market in Kentucky and thus bring benefits of additional competition to Kentucky consumers will be affected by the outcome of this proceeding.

NEM, as a national trade organization, will be able to bring a wide range of experiences, as well as a broad perspective, to the deliberative process, and its participation in this proceeding will aid the Commission by enhancing the quality of the record to be developed here. NEM can lend a

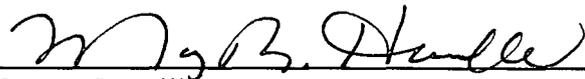
⁴ The full text of NEM's "National Guidelines for Unbundling and Restructuring the Natural Gas Distribution Function" are available at www.energymarketers.com.

unique perspective to this proceeding because its membership represents a diverse cross-section of market participants.

NEM's interest and position are significant and unique given its industry diversity, its interest in serving Kentucky small commercial and residential customers, its current and past participation in restructuring in multiple jurisdictions on related issues, and the substantial business interests of its members in the development of a viable competitive natural gas market in Kentucky. As such, NEM's special interests in this proceeding are not otherwise adequately represented and NEM's full intervention is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Under all these circumstances, NEM submits that it has a real and substantial interest in this proceeding and should be granted leave to fully intervene.

WHEREFORE, for the reasons explained above, NEM respectfully requests that the Commission grant its Leave for Full Intervention in the above-captioned proceedings and be made a party for all purposes.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Leave for Full Intervention of the National Energy Marketers Association were mailed, postage prepaid, to the persons shown on the attached service list on the 10th day of July, 2003.


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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL 10 2003

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

PUBLIC SERVICE
COMMISSION
CASE NO.
1999-00165

MOTION FOR ADMISSION PRO HAC VICE
OF MS. HEATHER L. MASTER
AND MEMORANDUM IN SUPPORT

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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
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MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

**MOTION FOR ADMISSION PRO HAC VICE
OF MS. HEATHER L. MASTER**

Now comes Mary R. Harville, an attorney licensed to practice law in the State of Kentucky, and hereby respectfully moves the Commission to admit Ms. Heather L. Master of the National Energy Marketers Association ("NEM"), to practice before the Commission and appear on behalf of the Intervenor, NEM, in the above-captioned case. The basis for this Motion is more fully set forth in the attached Memorandum in Support.

Respectfully submitted,



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Local Counsel for Intervenor,
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Counsel for Intervenor:

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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
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CUSTOMER ASSISTANCE PROGRAM)	

MEMORANDUM IN SUPPORT

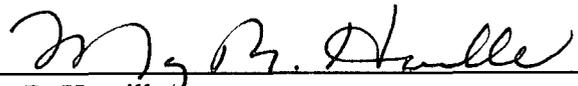
Mary R. Harville, an attorney licensed to practice law in the State of Kentucky, hereby respectfully moves the Commission to permit Ms. Heather L. Master to appear and practice before the Commission as counsel for the Intervenor, National Energy Marketers Association ("NEM"), in the above-captioned proceeding. Ms. Master is a staff attorney for NEM and has also represented NEM before other regulatory agencies for similar matters.

Ms. Master's business address is 3333 K Street, N.W., Suite 110, Washington, D.C. 20007. She is a member of good standing of the Bar of the state of New York (Bar Number 4137048).

Ms. Master will continue to represent NEM in this proceeding until its final determination, unless permitted to withdraw sooner by order of the Commission or a court of competent jurisdiction. Further, Ms. Master agrees that she shall be subject to the orders and amenable to the disciplinary action and jurisdiction of this Commission and the Kentucky State Bar in all respects.

WHEREFORE, Mary R. Harville respectfully moves the Commission to grant this Motion for Admission Pro Hac Vice.

Respectfully submitted,



Mary R. Harville
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Local Counsel for Intervenor,
National Energy Marketers Association

Counsel for Intervenor:

Craig G. Goodman, Esq., President
Stacey L. Rantala, Esq.
Heather L. Master, Esq.
National Energy Marketers Association
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srantala@energymarketers.com;
hmaster@energymarketers.com

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Stephen B. Seiple
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P.O. Box 14241
Lexington, KY 40512-4241

Richard S. Taylor
225 Capital Avenue
Frankfort, KY 40601

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL 10 2003

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO.
1999-00165

MOTION FOR ADMISSION PRO HAC VICE
OF MS. STACEY L. RANTALA
AND MEMORANDUM IN SUPPORT

Mary R. Harville
Reed Weitkamp Schell & Vice PLLC
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Local Counsel for Intervenor,
National Energy Marketers Association

Counsel for Intervenor:

Craig G. Goodman, Esq., President
Stacey L. Rantala, Esq.
Heather L. Master, Esq.
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srantala@energymarketers.com;
hmaster@energymarketers.com

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

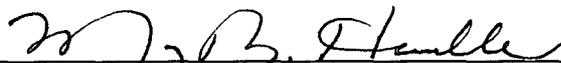
In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
VOLUME GAS TRANSPORTATION SERVICE	)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

**MOTION FOR ADMISSION PRO HAC VICE
OF MS. STACEY L. RANTALA**

Now comes Mary R. Harville, an attorney licensed to practice law in the State of Kentucky, and hereby respectfully moves the Commission to admit Ms. Stacey L. Rantala of the National Energy Marketers Association ("NEM"), to practice before the Commission and appear on behalf of the Intervenor, NEM, in the above-captioned case. The basis for this Motion is more fully set forth in the attached Memorandum in Support.

Respectfully submitted,



Mary R. Harville
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500 West Jefferson Street, Suite 2400
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Local Counsel for Intervenor,
National Energy Marketers Association

Counsel for Intervenor:

Craig G. Goodman, Esq., President
Stacey L. Rantala, Esq.
Heather L. Master, Esq.
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srantala@energymarketers.com;
hmaster@energymarketers.com

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
VOLUME GAS TRANSPORTATION SERVICE	)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

MEMORANDUM IN SUPPORT

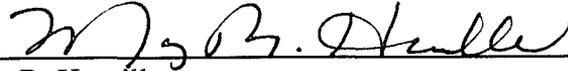
Mary R. Harville, an attorney licensed to practice law in the State of Kentucky, hereby respectfully moves the Commission to permit Ms. Stacey L. Rantala to appear and practice before the Commission as counsel for the Intervenor, National Energy Marketers Association ("NEM"), in the above-captioned proceeding. Ms. Rantala is a staff attorney for NEM and has also represented NEM before other regulatory agencies for similar matters.

Ms. Rantala's business address is 3333 K Street, N.W., Suite 110, Washington, D.C. 20007. She is a member of good standing of the Bars of the states of New York (Bar Number 2800761) and New Jersey (Bar Number 0527696).

Ms. Rantala will continue to represent NEM in this proceeding until its final determination, unless permitted to withdraw sooner by order of the Commission or a court of competent jurisdiction. Further, Ms. Rantala agrees that she shall be subject to the orders and amenable to the disciplinary action and jurisdiction of this Commission and the Kentucky State Bar in all respects.

WHEREFORE, Mary R. Harville respectfully moves the Commission to grant this Motion
for Admission Pro Hac Vice.

Respectfully submitted,



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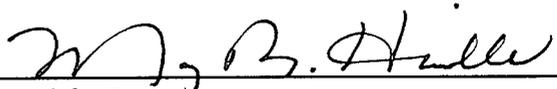
Local Counsel for Intervenor,
National Energy Marketers Association

Counsel for Intervenor:

Craig G. Goodman, Esq., President
Stacey L. Rantala, Esq.
Heather L. Master, Esq.
National Energy Marketers Association
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srantala@energymarketers.com;
hmaster@energymarketers.com

CERTIFICATE OF SERVICE

I hereby certify that a copies of the foregoing Motion for Admission Pro Hac Vice of Ms. Stacey L. Rantala and Memorandum In Support were mailed, postage prepaid, to the persons shown on the attached service list on the 10th day of July, 2003.



Counsel for Intervenor

Service List

John W. Bentine
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Bobby Singh
Chester Willcox & Saxbe LLP
65 East State Street, Suite 1000
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P.O. Box 14241
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Richard S. Taylor
225 Capital Avenue
Frankfort, KY 40601

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

RECEIVED

JUL 10 2003

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

PUBLIC SERVICE
COMMISSION

CASE NO.
1999-00165

**MOTION FOR ADMISSION PRO HAC VICE
OF MR. CRAIG G. GOODMAN
AND MEMORANDUM IN SUPPORT**

Mary R. Harville
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Local Counsel for Intervenor,
National Energy Marketers Association

Counsel for Intervenor:

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Stacey L. Rantala, Esq.
Heather L. Master, Esq.
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srantala@energymarketers.com;
hmaster@energymarketers.com

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

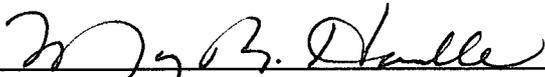
In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
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VOLUME GAS TRANSPORTATION SERVICE)	CASE NO.
TO CONTINUE ITS GAS COST INCENTIVE)	1999-00165
MECHANISMS, AND TO CONTINUE ITS)	
CUSTOMER ASSISTANCE PROGRAM)	

**MOTION FOR ADMISSION PRO HAC VICE
OF MR. CRAIG G. GOODMAN**

Now comes Mary R. Harville, an attorney licensed to practice law in the State of Kentucky, and hereby respectfully moves the Commission to admit Mr. Craig G. Goodman of the National Energy Marketers Association ("NEM"), to practice before the Commission and appear on behalf of the Intervenor, NEM, in the above-captioned case. The basis for this Motion is more fully set forth in the attached Memorandum in Support.

Respectfully submitted,



Mary R. Harville
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Local Counsel for Intervenor,
National Energy Marketers Association

Counsel for Intervenor:

Craig G. Goodman, Esq., President
Stacey L. Rantala, Esq.
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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)	
KENTUCKY, INC. TO IMPLEMENT A SMALL)	
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MEMORANDUM IN SUPPORT

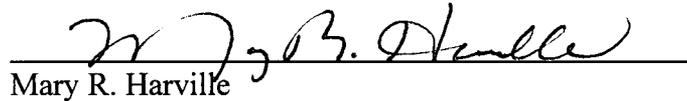
Mary R. Harville, an attorney licensed to practice law in the State of Kentucky, hereby respectfully moves the Commission to permit Mr. Craig G. Goodman to appear and practice before the Commission as counsel for the Intervenor, National Energy Marketers Association ("NEM"), in the above-captioned proceeding. Mr. Goodman is president of NEM and has also represented NEM before other regulatory agencies for similar matters.

Mr. Goodman's business address is 3333 K Street, N.W., Suite 110, Washington, D.C. 20007. He is a member of good standing of the Bars of the states of Texas (Bar Number 08151700), Florida (Bar Number 0199281), and the District of Columbia (Bar Number 946319).

Mr. Goodman will continue to represent NEM in this proceeding until its final determination, unless permitted to withdraw sooner by order of the Commission or a court of competent jurisdiction. Further, Mr. Goodman agrees that he shall be subject to the orders and amenable to the disciplinary action and jurisdiction of this Commission and the Kentucky State Bar in all respects.

WHEREFORE, Mary R. Harville respectfully moves the Commission to grant this Motion for Admission Pro Hac Vice.

Respectfully submitted,



Mary R. Harville
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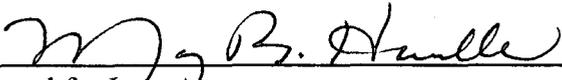
Local Counsel for Intervenor,
National Energy Marketers Association

Counsel for Intervenor:

Craig G. Goodman, Esq., President
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Heather Master, Esq.
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srantala@energymarketers.com;
hmaster@energymarketers.com

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Motion for Admission Pro Hac Vice of Mr. Craig G. Goodman and Memorandum In Support were mailed, postage prepaid to the persons shown on the attached service list on the 10th day of July, 2003.



Counsel for Intervenor

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JUL 08 2003

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COMMISSION**

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1319 Cumberland Avenue
Middlesboro, Kentucky 40965
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Facsimile: 606-248-4321

Gillard B. Johnson, III
James R. Cox
Michael D. Bowling
Robert B. Bowling
Edward Lee Bowling
Robert T. Yoakum
Shea Dunn Yoakum

Of Counsel:
D. Eric Lycan

June 30, 2003

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JUL 01 2003

**PUBLIC SERVICE
COMMISSION**

Mr. Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Dear Tom:

1999-00165

As you know, Interstate Gas Supply, Inc. ("IGS") filed a Petition on June 12, 2003, requesting continuation of the Columbia Gas of Kentucky, Inc. Customer Choice Program. We are in receipt of your letter dated June 16, 2003, indicating that IGS's Petition did not reference Columbia's Petition to discontinue the Choice Program. Although Columbia's Petition was apparently filed on June 6, 2003, IGS did not receive a mailed copy of Columbia's Petition until after IGS had filed its Petition on June 12, 2003. Inasmuch as we were unaware of Columbia's Petition, we did not make reference to it in IGS's Petition.

We trust this explains IGS's lack of reference to Columbia's Petition.

Very truly yours,



James R. Cox

Of Counsel:
John W. Bentine, Esq. (0016388)
E-Mail: jbentine@cwslaw.com
Direct Dial: (614) 334-6121

Mr. Thomas M. Dorman
June 30, 2003
Page 2

Bobby Singh, Esq. (0072743)
E-Mail: bsingh@cwslaw.com
Direct Dial: (614) 334-6122

CHESTER WILLCOX & SAXBE LLP
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Columbus, Ohio 43215-4213
(614) 221-4000 (main number)
(614) 221-4012 (facsimile)



Paul E. Patton, Governor

Janie A. Miller, Secretary
Public Protection and
Regulation Cabinet

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
psc.ky.gov
(502) 564-3940
Fax (502) 564-3460

Martin J. Huelsmann
Chairman

Gary W. Gillis
Vice Chairman

Robert E. Spurlin
Commissioner

June 16, 2003

Mr. James R. Cox
Cox Bowling & Johnson PLLC
209 Breckinridge Lane
Louisville, Kentucky 40207

Dear Mr. Cox

The Commission is in receipt of your petition, filed on behalf of Interstate Gas Supply, which requests that the Customer Choice Program offered by Columbia Gas of Kentucky as a pilot be approved permanently. The petition refers to Columbia's third annual report on the Choice Program, received June 2, 2003, but does not reference Columbia's motion, filed June 6, 2003, which seeks approval to discontinue the Choice Program pilot, effective March 31, 2004. The motion was filed in Case No. 1999-00165, the docket in which the Commission approved the pilot program.

It appears that disposition of Columbia's motion and IGS's petition will depend upon the resolution of identical questions of law and fact. For that reason, IGS's petition will be filed in the record of Case No. 1999-00165 to be considered by the Commission along with Columbia's request to terminate the pilot program. Should you have any questions or objections regarding this procedure, you should notify Anita Mitchell of the Commission's Office of General Counsel at 502-564-3940, extension 258.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Dorman".

Thomas M. Dorman
Executive Director

CC: Parties of Record





Paul E. Patton, Governor

Janie A. Miller, Secretary
Public Protection and
Regulation Cabinet

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460
June 26, 2003

Martin J. Huelsmann
Chairman

Gary W. Gillis
Vice Chairman

Robert E. Spurlin
Commissioner

John W. Bentine
Chester Willcox & Saxbe LLP
65 East State Street
Suite 1000
Columbus, OH 43215-4213

RE: Case No. 1999-00165

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Dorman".

Thomas M. Dorman
Executive Director

TD/sa
Enclosure



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF)
KENTUCKY, INC. TO IMPLEMENT A SMALL)
VOLUME GAS TRANSPORTATION SERVICE,)
TO CONTINUE ITS GAS COST INCENTIVE)
MECHANISMS, AND TO CONTINUE ITS)
CUSTOMER ASSISTANCE PROGRAM)

CASE NO.
1999-00165

ORDER

Through prior Orders entered in this proceeding, the Commission approved a small volume transportation program ("Choice Program") proposed by Columbia Gas of Kentucky, Inc. ("Columbia"), subject to certain modification, to operate as a pilot program through October 31, 2004. On June 6, 2003, Columbia filed a motion requesting Commission approval to terminate its pilot Choice Program effective March 31, 2004.

On June 12, 2003, Interstate Gas Supply, Inc. ("IGS") filed a petition requesting that the Choice Program be continued permanently. As it appeared that disposition of Columbia's motion and IGS's petition would be based upon resolving identical questions of law and fact, the Commission determined that IGS's petition should be filed in the record of this case to be considered along with Columbia's request to terminate the pilot program. Based on its review of Columbia's and IGS's filings, the Commission finds that further proceedings are necessary.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed in this proceeding.

2. All interrogatories and requests for production of documents shall be appropriately indexed. Responses shall include the name of the individual responsible for responding to the questions related to the information provided.

3. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

4. All documents filed with the Commission shall also be served upon all parties of record at or before the time of filing.

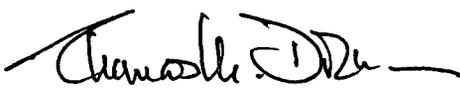
5. All parties shall respond to any interrogatories and requests for production of documents that Commission Staff submits in accordance with the procedural schedule set forth in Appendix A.

6. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

Done at Frankfort, Kentucky, this 26th day of June, 2003.

By the Commission

ATTEST:



Executive Director

Case No. 1999-00165

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 1999-00165 DATED JUNE 26, 2003.

Initial interrogatories by any party to any
other party shall be filed no later than.....07/10/03

Responses to initial interrogatories
shall be filed no later than.....07/24/03

Supplemental interrogatories by any party
to any other party shall be filed no later than..08/05/03

Responses to supplemental interrogatories
shall be filed no later than.....08/18/03

Any party may submit a written brief addressing
whether the Commission has the statutory authority
to require that the Choice Program be continued
beyond the date that Columbia plans to terminate
the Choice Program no later than.....08/29/03

Public Hearing, if necessary.....To be scheduled at a later date

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JUN 18 2003

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

In the Matter of:

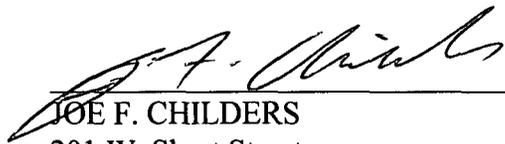
THE TARIFF FILING OF COLUMBIA GAS
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SMALL VOLUME GAS TRANSPORTATION
SERVICE, TO CONTINUE ITS GAS COST
INCENTIVE MECHANISMS, AND TO
CONTINUE ITS CUSTOMER ASSISTANCE
PROGRAM

CASE NO. 1999-00165

**NOTICE OF SUBSTITUTION OF COUNSEL
AND NOTICE OF FULL PARTICIPATION**

Notice is hereby given that Joe F. Childers is hereby substituted as counsel for the Intervenor, Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. ("CAC") in place of Anthony G. Martin. All future pleadings, correspondence, and other legal documents shall be served on CAC by serving undersigned counsel at the address appearing below.

Furthermore, notice is hereby given that CAC intends to fully participate in this proceeding, as reopened, in furtherance of the rights granted by the Commission in approving full intervention by CAC by order dated June 28, 1999.



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**ATTORNEY FOR COMMUNITY
ACTION COUNCIL FOR
LEXINGTON-FAYETTE, BOURBON,
HARRISON AND NICHOLAS
COUNTIES, INC.**

CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing notice has been served on the parties to this proceeding by mailing the same to the following persons:

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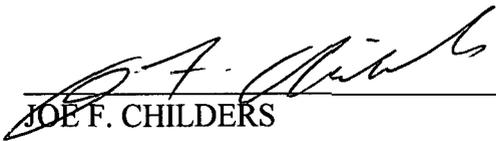
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Executive Director
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James R. Cox, Esq.
209 Breckenridge Lane
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on this the 17th day of June, 2003.



JOE F. CHILDERS

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 12 2003

PUBLIC SERVICE
COMMISSION

In the Matter of:

PETITION OF INTERSTATE GAS SUPPLY, INC.)
TO CONTINUE AND MAKE PERMANENT THE)
COMPETITIVE CUSTOMER CHOICE PROGRAM)
OF COLUMBIA GAS OF KENTUCKY, INC.)

CASE NO.
1999-00165

PETITION OF INTERSTATE GAS SUPPLY, INC. TO
CONTINUE AND MAKE PERMANENT THE CHOICE PROGRAM OF
COLUMBIA GAS OF KENTUCKY, INC.

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF INTERSTATE GAS SUPPLY, INC.)	
TO CONTINUE AND MAKE PERMANENT THE	)	CASE NO.
COMPETITIVE CUSTOMER CHOICE PROGRAM)	_____
OF COLUMBIA GAS OF KENTUCKY, INC.)	

**PETITION OF INTERSTATE GAS SUPPLY, INC. TO
CONTINUE AND MAKE PERMANENT THE CHOICE PROGRAM OF
COLUMBIA GAS OF KENTUCKY, INC.**

Pursuant to KRS Chapter 278 and 807 KAR 5:001, §§ 8 and 12, Petitioner Interstate Gas Supply, Inc. ("IGS") respectfully requests the Commission to issue an order to continue and make permanent the Small Volume Gas Transportation Service program ("Choice Program") of Respondent Columbia Gas of Kentucky, Inc. ("Columbia") so that eligible residential and small commercial consumers may continue to enjoy the benefits of having competitive choices for commodity suppliers, price options that enable market-based prices or price stability, supply diversity, and improved service choices associated with the competitive unbundling of natural gas service.

In support of this Petition, IGS avers as follows:

THE PARTIES AND JURISDICTION

1. IGS has been in the business of supplying natural gas as an alternative to utility companies since 1989, and currently serves more than 500,000 residential, commercial, institutional, and industrial end-users in Kentucky, Michigan, Ohio, and Pennsylvania. IGS is the largest supplier of natural gas to consumers participating in the Choice Program.

2. Columbia is a wholly owned subsidiary of the holding company Nisource, Inc. ("Nisource") that is headquartered in Merrillville, Indiana. Columbia serves approximately 141,000 consumers in Kentucky in, among other localities, the cities of Lexington, Frankfort, Ashland, East Point, Maysville, Winchester, and Paris. Columbia is engaged in business as a natural gas local distribution company ("LDC"), and therefore, is a natural gas utility pursuant to KRS 278.010.

3. The Commission has jurisdiction over the parties, this Petition, the Choice Program, and Columbia's Commission-approved tariffs pursuant to, *inter alia*, KRS 278.040, 278.270, and 278.080, and 807 KAR 5:001, §§ 8 and 12.

THE MATTER IN DISPUTE

4. The Commission promoted and encouraged LDCs to unbundle retail rates and service for natural gas services in Administrative Case No. 367, *The Establishment of a Collaborative Forum to Discuss the Issues Related to Natural Gas Unbundling and the Introduction of Competition to the Residential Natural Gas Market*. In that matter, the Commission indicated that any utility proposing a customer choice or rate unbundling program must, among other matters, demonstrate that there had been sufficient input and support from its stakeholders.

5. Supported by stakeholder input, Columbia proposed its current Choice Program in Case No. 1999-00165, *In the Matter of: THE TARIFF FILING OF COLUMBIA GAS OF KENTUCKY, INC. TO IMPLEMENT A SMALL VOLUME GAS TRANSPORTATION SERVICE, TO CONTINUE ITS GAS COST INCENTIVE MECHANISMS, AND TO CONTINUE ITS CUSTOMER ASSISTANCE PROGRAM*. In that matter, the Commission approved the Choice Program, as a pilot program, and retained regulatory oversight over the program by its Order of January 27, 2000. Since its implementation as a pilot program, the Choice Program has been

physically reliable and desirable to consumers, indicated by the robust customer participation rates and demonstrable customer savings.

6. To keep Columbia revenue neutral with regards to the Choice Program, the Commission's March 6, 2000, Order in Case No. 1999-00165 clarified that Columbia may recover all prudent program costs that could not be mitigated. Further, in the Commission's May 19, 2000, Order in Case No. 1999-00165, as an incentive for Columbia to administer the Choice Program, the Commission approved, generally, Columbia's proposal to receive twenty-five percent (25%) of the off-system sales revenues associated with the stranded cost mitigation mechanism in exchange for absorbing any excess costs remaining in the stranded cost pool.

7. In approving the Choice Program, the Commission indicated that the program's design appeared to indicate that it would achieve Columbia's six stated goals for the program. As implemented, the Choice Program, in fact, has achieved these six stated goals.

8. In the January 27, 2000, Order in Case No. 1999-00165, approving the Choice Program, the Commission indicated, "Columbia's goal regarding customer education is of paramount concern to the Commission . . . [and] its importance to the ultimate success of the Customer Choice program cannot be understated."

9. Consumers are well aware of the Choice Program, and there is a strong customer demand for its various benefits. For example, as of May 2002, Columbia's second Choice Program annual report indicates that 50,834 customers, representing 36% of eligible customers, had enrolled. As of May 2003, Columbia's third Choice Program annual report indicates that 46,095 customers or 33% of eligible customers had enrolled.

10. However, apparently in a preemptive effort to discredit the success and desirability of the program, in its third Choice Program annual report to the Commission, on pg. 2, despite the

33% participation level, Columbia asserts that customer "interest in the Program has subsided," merely because participation has dipped by 4,739 customers from last year's 36% participation level. While it may be factually true that the number of customers declined from May 2002 to 2003, it is also true that IGS discontinued accepting new enrollments pending resolution of Columbia's restrictive mandatory capacity filing. Upon settlement of the mandatory capacity issue, IGS began accepting new enrollments, which has caused participation to increase by approximately 2,200 customers just from April through July 2003. This is an increase of 5.75% in the number of customers served by IGS, which contrary to Columbia's assertion and notwithstanding the approaching end of the pilot Choice Program, indicates strong customer demand for the Choice Program.

11. Indeed, the 33% customer participation level is generally robust, but is especially noteworthy, given the uncertainty as to the future of the pilot Choice Program, which uncertainty has the effect of limiting suppliers' offers to consumers and the willingness of new suppliers and customers to participate in the program. Inasmuch as the Choice Program is a pilot, not a permanent, program, most marketers have been reluctant to commit resources to enter and participate in the Columbia market. Further, Columbia's actions, such as its efforts to reduce capacity flexibility and not responding to inquiries from interested suppliers, have generally discouraged supplier entry and participation in the Choice Program. Accordingly, the 33% customer participation level in the Choice Program is actually outstanding.

12. The Choice Program affords consumers a choice of commodity suppliers, including the default choice of Columbia's traditional sales service. The Choice Program also affords consumers a choice of price options, such as the fixed price option that enables price certainty over a term or the percentage savings option that enables consumers to save a stated percentage

as compared to Columbia's price. The Choice Program's competition provides a further incentive for Columbia to provide good customer service and to keep down its commodity costs.

13. In satisfaction of a key program goal, Columbia's second Choice Program annual report, on pg. 12, acknowledges that "[r]esearch conducted in late 2000 indicated strong awareness of the Customer Choice among Columbia Gas of Kentucky customers. As a result, the focus of the company's customer education efforts during 2001 shifted to keeping customers informed of specific elements of the Choice Program at their request." Columbia's third Choice Program annual report does not disagree.

14. Columbia's second Choice Program annual report, on pg. 4, also acknowledges the accomplishment of another program goal, namely that customers who choose to continue to purchase their gas supply using Columbia's traditional sales service should not incur any additional charges because of the implementation of the Choice Program. Additionally, Columbia's second Choice Program annual report, on pg. 4, acknowledges the accomplishment of the program's goal that the recovery of stranded costs must be as transparent to the customer as possible to permit the customer to make a clear and understandable choice between the marketer's offer and Columbia's sales rate. Again, Columbia's third Choice Program annual report does not disagree with the above.

15. As the largest supplier on Columbia's Choice Program, IGS has contributed significantly to and has a substantial stake in the success of the program. As an indication of IGS's commitment to the Choice Program, IGS has made substantial investments in both software and in developing a customer service department to serve and assist IGS's enrolled consumers. Indeed, Columbia's representatives visited IGS's facilities, and commended IGS's

competency in communicating, educating, and responding to the Choice Program consumers served by IGS.

16. The Commission's March 6, 2000 Order in Case No. 1999-00165 provides for the end of the pilot program on October 31, 2004, when, presumably, a decision would be made to institute the Choice Program as a permanent component of Kentucky's regulatory scheme for natural gas service. Despite all of the successes of the Choice Program and the demonstrative desire of consumers for its benefits, IGS, upon information and belief, understands that Columbia desires to permanently terminate the Choice Program and to permanently end competition to Columbia's commodity sales program. Columbia would thereby deny its Kentucky customers the benefits and savings of the Choice Program, while its affiliated Nisource subsidiary, Columbia Gas of Ohio, Inc. ("Columbia Ohio") would continue to promote its choice program as a mechanism for its Ohio consumers to save money on their energy bills.

17. For example, in an October 10, 2002 press release, the Customer Contact Center Manager for Columbia Ohio said:

Columbia [Ohio] also offers a number of suggestions and options so customers can better manager their energy bills: [including] · **Customer CHOICE (SM)** – This voluntary program gives customers the opportunity to purchase their natural gas from suppliers other than Columbia Gas. About 500,000 Columbia customers have chosen to participate in Customer CHOICE (SM) and have saved approximately \$127 million.

See, <http://www.columbiagasohio.com/news/releases/index.asp?int ArticleID=18>

18. If Columbia is permitted to terminate the Choice Program, Columbia will stifle competition in Kentucky in the provision of commodity service, denying Kentucky consumers the savings and benefits that choice consumers enjoy in other States and on other LDCs, including Columbia's other Nisource LDCs.

19. Columbia may desire to terminate the Choice Program because of its own risky business decision to propose an incentive-based stranded cost mitigation scheme, which has not, as yet, proven to be profitable. This scheme allows Columbia to engage in off-system-sales transactions and keep 25% of the revenues from the off-system-sales, in exchange for taking the risk to absorb stranded costs that Columbia is unable to mitigate. Columbia's response to Question No. 2(b) of the Commission Staff's May 28, 2002, data request in Case No. 2002-00117, *In the Matter of: THE FILING OF COLUMBIA GAS OF KENTUCKY, INC. TO REQUIRE THAT MARKETERS IN THE SMALL VOLUME GAS TRANSPORTATION PROGRAM BE REQUIRED TO ACCEPT A MANDATORY ASSIGNMENT OF CAPACITY*, suggests that from the inception of the Choice Program through March 2002, Columbia has absorbed \$1,804,861.00 in stranded costs, due to the Columbia proposed incentive-sharing stranded cost mitigation proposal. Apparently, off-system and other revenue opportunities have lagged stranded costs as follows: (1) Year 2000 – stranded costs = \$594,150.00 – revenue opportunities = \$220,568.00; (2) Year 2001 – stranded costs = \$6,184,137.00 – revenue opportunities = \$5,141,321.00; (3) Year 2002 (March) – stranded costs = \$2,591,678.00 – revenue opportunities = \$2,203,215.00.

20. Columbia's second Choice Program annual report on pg. 13 also suggests that Columbia absorbed \$1,804,861.00 in stranded costs because off-system and other revenue opportunities have lagged stranded costs as follows: (1) stranded costs = \$9,369,965.00, and (2) revenues to offset stranded costs = \$7,565,104.00. Columbia, however, incurred these costs, because it made a business decision to assume this risk in exchange for the opportunity for revenues from off-system-sales transactions.

21. The volatility in the gas marketplace does not assure positive revenues from off-system sales for Columbia. For example, in its first Choice Program annual report, Columbia reported that off-system-sales revenues to offset stranded costs, of \$2,001,151.00, exceeded stranded costs, of \$1,511,077. However, in the second year of the program, Columbia incurred stranded costs, which may help explain why Columbia's second Choice Program annual report indicates discontentment with the Choice Program, in contrast to its first annual report in which Columbia reported being extremely pleased with the Choice Program. Now, in the third year, Columbia's Choice Program annual report indicates that revenue to off-set stranded costs, of \$19,616,583, exceed incurred stranded costs, of \$17,943,767. This volatility in off-system sales revenues relative to stranded costs may indicate Columbia's desire to terminate the Choice Program due to its risky business decision.

22. The Commission has permitted Columbia to recover all prudently incurred program costs and, in the context of the Columbia proposed incentive-sharing proposal, the Choice Program has been revenue neutral to Columbia, which meets another program goal.

23. Another of the Choice Program's goals is for the program to provide marketers with as much flexibility as possible to capture savings for consumers by allowing marketers to use their own interstate pipeline capacity. In its application in Case No. 2002-00117, on pg. 3, Columbia "propose[d] that capacity assignment would become mandatory for *all* Choice customer demand," which would have violated the capacity flexibility goal of the Choice Program. (Emphasis added.)

24. In Case No. 2002-00017, the Commission subsequently approved IGS's and Columbia's stipulation that established a methodology that assures capacity flexibility for

marketers, in satisfaction of another program goal, as indicated in Columbia's third Choice Program annual report.

25. Contrary to Columbia's suggestion, the Choice Program promotes reliability by increasing supplier, commodity, and capacity delivery diversity into Columbia's system. For example, in addition to its interstate pipeline deliveries, IGS has relied on Kentucky's local production to provide flexibility for supply reliability and balancing as part of IGS's overall delivery portfolio, as indicated in IGS's Response No. 3b to the Commission's Staff's initial data request in Case No. 2002-00117. IGS's use of Kentucky's local production is also consistent with the Commission's policy to facilitate greater use of natural gas produced in Kentucky, set forth in KRS 278.507.

26. In its second annual report, although Columbia suggested that suppliers place system reliability at risk, Columbia did not indicate that any supplier had defaulted during that period, despite acknowledging, on pg. 2, challenging conditions due to "[t]ight supplies causing higher wholesale natural gas prices combined with record-breaking cold temperatures in December." Indeed, as an example of the supplier diversity of a competitive market and an early test to the design of the Choice Program, on pgs. 1 and 2 of its first annual report, Columbia indicates that it successfully managed the default of two marketers, most of whose customers subsequently enrolled with other marketers. Further, the re-enrollment with other marketers by the defaulted consumers strongly suggests the desire of consumers for the Choice Program.

27. The remaining Choice Program goal is that the program must provide an "opportunity" for customers to save money on their gas bills. Columbia, as part of its preemptive effort to terminate the program, describes this goal as the "prime" goal of the program, on pg. 3 of its second Choice Program annual report. Apparently, taking a snap shot at

30. This discrepancy and apparent inaccuracy of Columbia's calculation methodology supports the retention of an outside consultant to review all aspects of Columbia's Choice Program, as indicated, on pg. 7, in the Commission's January 27, 2000 Order in Case No. 1999-00165 that approved the Choice Program.

31. In contradiction to Columbia's statement that its summer commodity price happens to be lower than some fixed prices hedged during a rising commodity market, just as important as savings to many consumers, is the ability of Choice Program suppliers' to provide them with the certainty of fixed prices to shield them from the volatility of Columbia's variable price. Moreover, by fixing their rate relative to Columbia's variable commodity costs, consumers capture their "opportunity" to save as compared to the volatility of Columbia's rising and falling variable commodity costs. Columbia's inaccurate assessment of Choice Program suppliers' fixed rates also fails to take into account the bill non-payments and resulting bad debts that were potentially mitigated by fixed prices relative to Columbia's variable and volatile commodity prices that generally soar in the peak use winter months.

32. Columbia's apparent desire to terminate its functional and popular Choice Program is contrary to the Commission's policy set forth in its July 1, 1998, Order in Administrative Case No. 367, in which the Commission stated:

While the extent of customer benefit is not yet clear, the Commission supports the concept of customer choice programs targeted at residential and small commercial customers. Such customer choice programs are ongoing in a number of other states. In most of these programs, the local distribution companies continue to provide natural gas within their current pricing and operating parameters. The Commission believes that it can continue to ensure the integrity of the merchant function as well as the distribution function through the parameters of a customer choice program and existing tariffs, regulations, and statutes. As long as customers continue to receive safe and reliable gas service, the reasonableness of gas commodity cost as provided in a competitive environment can be determined by the market. Customers may fare better with the addition of alternative

suppliers of the commodity, and will have the added benefit of the innovation in products and services that competition inevitably brings.

By designing the Choice Program to maintain the integrity of the merchant and distribution functions, ensuring safe and reliable gas service and reasonable gas commodity costs, and providing residential and small commercial consumers with a competitive environment with choices of suppliers and price product options, the Choice Program has successfully implemented this policy.

33. Choice consumers in Kentucky, as in neighboring states, have fared better with the addition of alternative suppliers of commodity and competitive products and services, as indicated, for example, by the savings and products such as the stable fixed price and guaranteed savings rate options. Under these circumstances, the Choice Program should be continued and made permanent, because as indicated above, the program has achieved its goals and consumers desire the continuity of the program. Making the program permanent will assure certainty and attract entry of new suppliers, which will further increase competition and participation.

WHEREFORE, so that consumers may continue to enjoy the benefits of choice of suppliers and price options that provide opportunities for savings, price certainty, and competitive pricing that are associated with Columbia's Choice Program, IGS respectfully petitions the Commission to continue and make permanent the Columbia Choice Program.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petition of Interstate Gas Supply, Inc. To Continue And Make Permanent The Choice Program On Columbia Gas Of Kentucky, Inc. was mailed, postage prepaid to the below listed persons on June 12, 2003.



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUN 12 2003
PUBLIC SERVICE
COMMISSION

In the Matter of:

THE PETITION OF INTERSTATE GAS SUPPLY, INC.)
TO CONTINUE AND MAKE PERMANENT THE)
COMPETITIVE CUSTOMER CHOICE PROGRAM)
ON COLUMBIA GAS OF KENTUCKY, INC.)

CASE NO.

1999-00165

MOTION FOR ADMISSION PRO HAC VICE
OF MR. JOHN W. BENTINE AND MR. BOBBY SINGH
AND MEMORANDUM IN SUPPORT

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF INTERSTATE GAS SUPPLY, INC.)
TO CONTINUE AND MAKE PERMANENT THE)
COMPETITIVE CUSTOMER CHOICE PROGRAM)
ON COLUMBIA GAS OF KENTUCKY, INC.)

CASE NO. _____

**MOTION FOR ADMISSION PRO HAC VICE
OF MR. JOHN W. BENTINE AND MR. BOBBY SINGH**

Now comes James R. Cox, an attorney licensed to practice law in the State of Kentucky, and hereby respectfully moves the Commission to admit Mr. John W. Bentine and Mr. Bobby Singh of the law firm of Chester, Willcox & Saxbe LLP, to practice before the Commission and appear on behalf of the Petitioner, Interstate Gas Supply, Inc., in the above-captioned case. The basis for this Motion is more fully set forth in the attached Memorandum in Support.

Respectfully submitted,



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF INTERSTATE GAS SUPPLY, INC.)
TO CONTINUE AND MAKE PERMANENT THE)
COMPETITIVE CUSTOMER CHOICE PROGRAM)
ON COLUMBIA GAS OF KENTUCKY, INC.)

CASE NO.

MEMORANDUM IN SUPPORT

James R. Cox, an attorney licensed to practice law in the State of Kentucky, hereby respectfully moves the Commission to permit Mr. John W. Bentine and Mr. Bobby Singh to appear and practice before the Commission as counsel for the Petitioner, Interstate Gas Supply, Inc. ("IGS"), in the above-captioned proceeding.

Mr. Bentine and Mr. Singh are counsel for IGS and have represented IGS in various matters in other forums, particularly in matters relating to energy and utility issues, such as those likely to arise in this case. They have also previously represented IGS as Of Counsel, before this Commission in Case No. 2002-00117, a related matter against Columbia Gas of Kentucky, Inc.

Mr. Bentine's business address is 65 East State Street, Suite 1000, Columbus, Ohio 43215-4213, and he is a Partner in the law firm of Chester, Willcox & Saxbe LLP. He is a member of good standing of the Bar of the State of Ohio (Bar Number 0016388).

Mr. Singh's business address is also 65 East State Street, Suite 1000, Columbus, Ohio 43215-4213, and he is an Associate in the law firm of Chester, Willcox & Saxbe LLP. He is a member of good standing of the Bar of the State of Ohio (Bar Number 0072743).

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion for Admission Pro Hac Vice of Mr. John W. Bentine and Mr. Bobby Singh and Memorandum In Support was mailed, postage prepaid to the below listed persons on, June 12, 2003.

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By: Robert E. Thomas, Esq.
Counsel for Petitioner

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A NiSource Company

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June 6, 2003

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

(Dropley)
RECEIVED

JUN 06 2003

PUBLIC SERVICE
COMMISSION

RE: Case No. 1999-00165

Dear Mr. Dorman:

Please find enclosed an original and ten copies of Columbia's Motion to Terminate its Small Volume Transportation Service. Copies of the Motion have been provided to the docketed service list and the three participating marketers in Columbia's Customer CHOICE program – Community Action Council Buyers Club, Inc., Interstate Gas Supply, and MX Energy.com, Inc.

Columbia respectfully requests a decision by the Commission as soon as possible in order to advance its planning for 2004 and beyond. If you have any questions, please give me a call at (859) 288-0242.

Sincerely,

Judy M. Cooper

Judy M. Cooper
Manager, Regulatory Policy

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 06 2003

PUBLIC SERVICE COMMISSION

In the Matter of:)
)
THE TARIFF FILING OF COLUMBIA GAS)
OF KENTUCKY, INC. TO IMPLEMENT A)
SMALL VOLUME GAS TRANSPORTATION)
SERVICE, TO CONTINUE ITS GAS COST)
INCENTIVE MECHANISMS, AND TO)
CONTINUE ITS CUSTOMER ASSISTANCE)
PROGRAM.)

CASE NO. 99-165

MOTION OF COLUMBIA GAS OF KENTUCKY, INC.
REQUESTING AUTHORITY TO TERMINATE ITS
SMALL VOLUME TRANSPORTATION SERVICE

On April 22, 1999, Columbia Gas of Kentucky, Inc. ("Columbia") filed an application to implement a small volume transportation program, the CHOICE^{®1} program ("CHOICE program" or "the pilot program."). This application was filed pursuant to the Commission's requirements in Administrative Case No. 367. The Application was approved by the Commission as a pilot program, with modifications, by Orders issued on January 27, 2000, March 6, 2000 and May 19, 2000. Pursuant to those Orders, the pilot program is scheduled to run through October 31, 2004. By this motion, Columbia requests authority to terminate the pilot on March 31, 2004 – seven months earlier than originally contemplated – for the reasons discussed below. Columbia has consulted with each of the "Collaborative" members that helped develop the pilot program – i.e., the Office of the Attorney General, the Lexington-Fayette Urban County Government, and the

¹ Customer CHOICESM is a service mark of Columbia Gas of Ohio, Inc. and its use has been licensed by Columbia Gas of Kentucky, Inc. CHOICE[®] is a registered service mark of Columbia Gas of Ohio, Inc. and its use has also been licensed by Columbia Gas of Kentucky, Inc.

Community Action Council of Fayette, Bourbon, Harrison and Nicholas Counties – as well as with each of the marketers currently participating in the pilot program, and advised all those parties of Columbia's intent to file this motion.²

I. THE PILOT PROGRAM SHOULD BE TERMINATED IN MARCH 2004

The pilot program is scheduled to run through October 2004. As the Commission is aware, Columbia has for some time contemplated early termination of the pilot program. Attached hereto as Attachment 1 are proposed tariffs revised to reflect the termination of the pilot program on March 31, 2004.

In Columbia's most recent rate case, PSC Case No. 2002-00145, the Commission issued a number of data requests by Order dated June 12, 2002. The second question asked, in part, "Given that Customer Choice customers have paid almost \$ one million more than if they had remained sales customers, explain whether Columbia has considered making changes to the four-year term of the pilot." Columbia responded that it was considering whether it should change the term of the program, and that Columbia expected to complete its evaluation by the end of 2002.

In Case No. 2002-00117 Columbia proposed revisions to its pilot program tariffs. The Commission issued a number of data requests by Order dated December 12, 2002. The fourth question asked Columbia to provide an estimate of when the results of its evaluation of possible changes to the term of the pilot program could be provided to the Commission. Columbia responded that the evaluation was ongoing, and that Columbia planned to complete its evaluation during the first quarter of 2003.

² FSG Energy Services, a marketing subsidiary of Wisconsin Public Service Resource Corporation, provided input on the original application, but was not contacted because it did not participate in the pilot program.

Columbia has completed its evaluation and believes that the pilot program should not be continued, and in fact, should end several months early, so that it will terminate on March 31, 2004. There are several reasons that support this conclusion.

First, the primary goal of the pilot program is not being achieved – i.e., in the aggregate customers are not saving money. While the program does provide customers with an *opportunity* to save money, the actual experience has been that in the aggregate customers have not saved money.

As noted on page 3 of Columbia's Customer ChoiceSM Program Annual Report, filed on June 3, 2002, through March 2002 pilot program customers paid a total of \$813,742 more in gas costs than they would have had they remained a sales customer of Columbia. The most recent data available, as of March 31, 2003, indicates that pilot program customers have paid a total of \$3,409,821 more in gas costs than they would have had they remained Columbia sales customers. While individual customers may have saved money as participants in the pilot program, in the aggregate customers have not saved money and the first goal of the pilot program has not been successfully attained.

Columbia does not foresee any likelihood that customers will realize significant savings in the immediate future³. Columbia is the supplier of last resort for all of the firm customers on its system. As the supplier of last resort, Columbia must contract for firm, primary capacity for its core market customers, so that such capacity is available long-term. As a result, a program such as the pilot program must incorporate mandatory assignment of Columbia capacity in order to minimize stranded costs, or if permitting optional assignment of capacity, must deal with sub-

³ While at one point as many as seven marketers served customers as part of the pilot program, that number is now down to three.

stantial levels of stranded costs. Another goal of the pilot program is revenue neutrality – i.e., Columbia must be permitted to recover its stranded costs – but the collection of stranded costs from customers is not a viable long-term alternative that Columbia wishes to pursue. On the other hand, mandatory assignment of capacity to marketers minimizes Columbia's stranded costs, but also tends to reduce the opportunity for savings that marketers can pass on to customers. Thus, with or without mandatory assignment of capacity, the long-term prospects for customer savings in the pilot program appear doubtful.

Second, if extended beyond March 31, 2004, Columbia will likely incur substantial stranded costs that it will not be able to recover, which conflicts with the revenue neutrality goal of the pilot program. Attachment 2 is a schedule that shows Columbia's stranded costs and offsetting revenues. As evidenced by that schedule, stranded costs are currently over-funded by \$1.67 million. For the reasons explained below, ending the program in March, 2004 will minimize the accrual of stranded costs, and to the extent the program can be ended at a point in time when the recovery pool exceeds the stranded costs, the excess will be credited to sales and CHOICE customers on a throughput basis, as directed in the Commission's Order in this docket dated May 19, 2000, at page 2.

Third, the best time to end the pilot program is on March 31 of any year, given the manner in which storage contracts work. Storage activity is an annual cycle that requires injections in the summer and withdrawals in the winter. Storage allows Columbia and marketers serving temperature-sensitive customers the ability to purchase gas supplies during the summer and then deliver the supplies to these customers during the high demand winter season. Without storage it would be impossible to serve the highly temperature-sensitive demand of residential and small commercial customers in today's marketplace.

Under the tariff of Columbia's primary interstate pipeline, Columbia Gas Transmission Corporation ("TCO"), Firm Storage Service ("FSS") has maximum monthly injection limitations. The sum total of these monthly injection limitations is equal to only 115% of the seasonal contract quantity of the FSS contracts. Under Columbia's pilot program marketers are assigned capacity each April first for their existing customer base, and the first of each month thereafter for any increase in the number of customers they have enrolled in the pilot program.

For those assignments of storage made effective on April first of any year, no inventory is sold to the marketers, thus the marketers are responsible for placing 100% of gas into storage during the summer. The marketers then have only 15% summer injection flexibility. Should storage injections be delayed just one month, the entire seasonal injection flexibility is lost.

As noted above, the October 31 pilot program expiration date falls in the middle of the storage year, and is therefore a cause of concern for several reasons. If the pilot program were to terminate on October 31, 2004, marketers would be obligated to take assignment of storage and related transportation effective April 1, 2004, fill storage throughout the summer of 2004 and then return the storage to Columbia effective October 31, 2004. There are two primary risks under this scenario. First, marketers likely would not accept the storage assignment. Under TCO's tariffs, assignments of capacity require both the releasing party (Columbia) and the accepting party (marketers) to complete the capacity release transaction. If the marketer elects not to accept the assignment then the assignment cannot be accomplished. As storage is primarily needed to serve the higher seasonal and daily demand of the winter season, marketers would have no incentive to take assignment of storage as they would incur the costs of the storage during the summer, but not be able to recover those costs during the ensuing winter. The second concern relates to who would fill the storage. Even if a marketer would accept assignment of storage there is no

incentive for the marketer to purchase summer season supplies if they have no market after the summer season. In addition, should a marketer refuse to abide by the tariff and accept the storage assignment, Columbia would be placed in the position of terminating the marketer's participation in the program. This of course, would create unnecessary confusion and problems for all concerned and especially the customers. Thus, even if the marketer would take the assignment of storage there is a very high risk that the storage may not get filled during the summer. If the pilot program were to end on October 31, 2004 and the storage capacity was returned to Columbia, it could very likely be empty and Columbia would be in a precarious position regarding service to its customers. Without gas in storage Columbia would be at risk on both a seasonal and daily basis as storage deliveries are firm only when gas is withdrawn from storage and transported on Storage Service Transportation capacity to a Columbia city gate. If no gas were in storage then Columbia would be required to purchase interruptible supplies placing service to the customers at risk.

Thus, as storage plays a very significant roll in providing service to residential and small commercial customers it is advantageous to Columbia, marketers and customers to end the pilot program early, on March 31, 2004. Columbia and marketers will avoid the problems with storage contracts discussed above. The pilot program will have run through the last winter period for which the program was approved, and there will be very little opportunity for further customer savings during the relatively warmer months of April through October 2004.

II. COLUMBIA'S PRE-PILOT PROGRAM TARIFFS SHOULD BE RESTORED UPON EXPIRATION OF THE PILOT PROGRAM

As part of its pilot program, Columbia used 75% of its off-system sales revenue to help offset stranded costs. Columbia was permitted to retain the other 25% in order to provide Co-

lumbia with an incentive to maximize off-system sales revenue, and in exchange for Columbia assuming the risk of unrecovered stranded costs. *See* the Commission's Order in this docket, dated May 19, 2000, at 2.

Prior to the implementation of the pilot program, Columbia's Gas Cost Incentive Program provided that 65% of Columbia's off-system sales revenue was to be credited to sales customers through Columbia's Gas Cost Adjustment ("GCA") mechanism, and that Columbia was to be permitted to retain 35% of the off-system sales revenue. A similar sharing mechanism existed for capacity release revenue; however, that mechanism also incorporated a benchmark that had to be reached before any sharing of the capacity release revenue occurred. If the benchmark was not reached, all capacity release revenue was credited to the GCA. The Commission authorized these gas cost incentive provisions in PSC Case No. 96-079.

Although the savings are not obvious, the incentive produces a benefit – i.e., a reduction in gas costs to all customers. Upon expiration of the pilot program – March 31, 2004 as proposed herein – Columbia requests that its gas cost incentive mechanisms be restored to those approved in Case No. 96-079, which were effective prior to the implementation of the pilot program, and that Columbia's Gas Cost Adjustment mechanism be restored to that which was in effect prior to implementation of the pilot program. Attached hereto as Attachment 3 are tariff pages to be restored, effective on April 1, 2004.

III. TRANSITION ISSUES

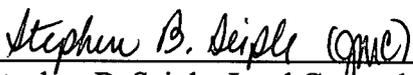
As with its initial application to implement the pilot program, Columbia believes that customer education is critical. If this motion is granted, Columbia will begin the process of winding down the pilot program. Once this process begins, Columbia would like to avoid signals that

might lead customers to incorrectly believe that the pilot program has long-term vitality. Thus, Columbia believes that it is not in the public interest to certify new marketers, or to have existing marketers engage in large scale enrollment campaigns.

Through March 2004, Columbia is requesting Commission authority to limit marketer participation in the pilot program to the existing three marketers⁴, thus permitting Columbia to deny participation to any new marketers. In accordance with the Standards of Conduct, Columbia will continue to provide customers a list of all participating marketers. However, Columbia will not continue to make its customer lists available to marketers. Upon Commission approval of this motion Columbia will begin the process of educating customers about the termination of the pilot program.

WHEREFORE, Columbia Gas of Kentucky, Inc. respectfully requests that the Commission authorize Columbia to terminate its pilot small volume gas transportation program on March 31, 2004, and that the gas cost incentive and adjustment mechanisms approved in PSC Case No. 96-079 be reimplemented, all as set forth in the proposed revised tariffs attached hereto.

Respectfully submitted,



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⁴ Since December 2001, no new marketers have sought to participate in the pilot program.

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Attorneys for
COLUMBIA GAS OF KENTUCKY, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion was served upon the parties on the attached Service List by regular U.S. Mail this 6th day of June, 2003.

Stephen B. Seiple (gmc)
Stephen B. Seiple
Attorney for
COLUMBIA GAS OF KENTUCKY, INC.

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**ATTACHMENT 1
PROPOSED TARIFFS
TO BE EFFECTIVE THROUGH
MARCH 31, 2004**

**SMALL VOLUME GAS TRANSPORTATION SERVICE
(SVGTS)
RATE SCHEDULE**

APPLICABILITY

Entire service territory of Columbia Gas of Kentucky through March 31, 2004. See Sheet No. 8 for a list of communities.

AVAILABILITY

Available to any customer that meets the following requirements:

- (1) Customer must be part of a Customer Group as the term is defined herein, and
 - (a) The Customer Group consists of either: (1) a minimum of 100 customers; or (2) a customer or group of customers with a minimum annual throughput of 10,000 Mcf. The Customer Group must be served by a single Marketer approved by Columbia; and the Marketer must have executed a Small Volume Aggregation Service agreement with Columbia; and,
 - (b) The Marketer must have acquired, or agreed to acquire, an adequate supply of natural gas of quality acceptable to Columbia, including allowances for (1) retention required by applicable upstream transporters; and (2) lost and unaccounted-for gas to be retained by Columbia. The Marketer must also have made, or have caused to be made, arrangements by which gas supply can be transported directly to specified receipt points on Columbia's distribution system; and,
- (2) Customer has normal annual requirements of less than 25,000 Mcf at any delivery point, and
- (3) Customer is currently a customer under the GS, IN6 or IUS Rate Schedule or in the case of a new customer would be considered a GS customer.
- (4) Customers enrolled in Columbia's Customer Assistance Program as set forth on Sheet No. 51b relinquish their individual right to choose an alternative supplier as a condition of their participation in that program. The Customer Assistance Program administrator will be authorized to aggregate all of the Customer Assistance Program participants into a single Customer Group for the purpose of selecting a commodity supplier.

DATE OF ISSUE:

DATE EFFECTIVE: July 6, 2003

Issued by: Joseph W. Kelly

Vice President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**SMALL VOLUME AGGREGATION SERVICE
(SVAS)
RATE SCHEDULE**

APPLICABILITY

Entire service territory of Columbia Gas of Kentucky through March 31, 2004. See Sheet No. 8 for a list of communities.

AVAILABILITY

Available to Marketers certified to deliver natural gas, on a firm basis, to the Company's city gates on behalf of customers receiving transportation service under Columbia's Small Volume Transportation Service Rate Schedule provided Marketer has a Customer Group consisting of either: (a) a minimum of 100 customers; or (b) a customer or a group of customers with a minimum annual throughput of 10,000 Mcf. Service hereunder allows Marketers to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the requirements of Customer Groups participating in Columbia's small volume transportation service program.

MARKETER CERTIFICATION

Marketers will be certified by Columbia to offer supply of natural gas to customers choosing service under Rate Schedule SVGTS provided they meet the following requirements:

1. Satisfactory completion of a determination of credit worthiness by Columbia;
2. Execution of a contract with Columbia for Small Volume Aggregation Service;
3. Marketer agrees to provide firm services to its customers. If requested by Columbia, Marketer must demonstrate that it has the capability to reliably serve its customers' firm requirements;
4. Marketer agrees to abide by the Code of Conduct as set forth herein; Columbia agrees to abide by the Standards of Conduct as set forth herein;
5. Marketer agrees to flow gas in accordance with the demand curves provided by Columbia.

AGGREGATION POOL

Marketers will be required to establish one or more Aggregation Pools for aggregation purposes. An Aggregation Pool shall be comprised of those customers within each Marketer's Customer Group located within the same Columbia Gas Transmission Corporation market area. Marketers shall have the option to create multiple Aggregation Pools within a single Columbia Gas Transmission market area.

DATE OF ISSUE:**DATE EFFECTIVE:** July 6, 2003**Issued by:** Joseph W. Kelly

Vice President

STRANDED COST/ RECOVERY POOL**STRANDED COST/ RECOVERY POOL**

Columbia shall establish an account to track through March 31, 2004 all of the stranded costs and revenues associated with Columbia's small volume gas transportation service program. Interest will be calculated on the Net Stranded Costs at a rate equal to the average of the three month commercial paper rate for the immediately preceding twelve month period and assigned to the Stranded Cost/Recovery Pool.

The following shall be included in the Stranded Cost/Recovery Pool:

1. GCR Demand – Demand charges associated with sales volumes converting to transportation. An amount will be determined monthly by multiplying applicable pipeline demand charges by the volume of firm capacity in excess of that required for sales customers.
2. Information Technology - Incremental expenses for computer programming enhancements to facilitate the small volume gas transportation service program.
3. Education – Expenses for customer education conducted by Columbia for the small volume gas transportation service program, including development of program and materials and implementation.
4. Capacity Assignment – Amount of revenue received for Columbia's capacity that marketers choose to take and use as part of the small volume gas transportation service program.
5. Balancing Charges – Revenue received from balancing charge assessed to Marketers under the small volume gas transportation service program.
6. Off-System Sales – 75% of all revenues received from off-system sales and exchanges (other than those revenues generated by operational sales), net of costs.
7. Marketer Contribution – Revenue received from marketer's rate of \$0.05 per Mcf for all volumes delivered to marketer's customers.
8. Any revenue received from penalties assessed Marketers as part of the small volume gas transportation service program will also be assigned to the Stranded Cost/Recovery Pool. Penalties imposed upon Marketer as a prorata share of pipeline penalties and/or costs Columbia itself incurs are not included.

Net Stranded Costs

Net Stranded Costs = Stranded Cost/Recovery Pool + Interest:

If the Net Stranded Costs balance at April 1, 2004 is greater than or less than zero, Columbia will absorb the loss if the costs exceed revenues or if revenues exceed costs, Columbia will credit the gain to sales and SVGTS customers on a throughput basis.

**SMALL VOLUME GAS TRANSPORTATION SERVICE
(SVGTS)
RATE SCHEDULE**

APPLICABILITY

Entire service territory of Columbia Gas of Kentucky through March 31, 2004.— See Sheet No. 8 for a list of communities. T

AVAILABILITY

Available to any customer that meets the following requirements:

- (1) Customer must be part of a Customer Group as the term is defined herein, and
 - (a) The Customer Group consists of either: (1) a minimum of 100 customers; or (2) a customer or group of customers with a minimum annual throughput of 10,000 Mcf. The Customer Group must be served by a single Marketer approved by Columbia; and the Marketer must have executed a Small Volume Aggregation Service agreement with Columbia; and,
 - (b) The Marketer must have acquired, or agreed to acquire, an adequate supply of natural gas of quality acceptable to Columbia, including allowances for (1) retention required by applicable upstream transporters; and (2) lost and unaccounted-for gas to be retained by Columbia. The Marketer must also have made, or have caused to be made, arrangements by which gas supply can be transported directly to specified receipt points on Columbia's distribution system; and,
- (2) Customer has normal annual requirements of less than 25,000 Mcf at any delivery point, and
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- (4) Customers enrolled in Columbia's Customer Assistance Program as set forth on Sheet No. 51b relinquish their individual right to choose an alternative supplier as a condition of their participation in that program. The Customer Assistance Program administrator will be authorized to aggregate all of the Customer Assistance Program participants into a single Customer Group for the purpose of selecting a commodity supplier.

**SMALL VOLUME AGGREGATION SERVICE
(SVAS)
RATE SCHEDULE.**

APPLICABILITY

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AVAILABILITY

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Marketers will be certified by Columbia to offer supply of natural gas to customers choosing service under Rate Schedule SVGTS provided they meet the following requirements:

1. Satisfactory completion of a determination of credit worthiness by Columbia;
2. Execution of a contract with Columbia for Small Volume Aggregation Service;
3. Marketer agrees to provide firm services to its customers. If requested by Columbia, Marketer must demonstrate that it has the capability to reliably serve its customers' firm requirements;
4. Marketer agrees to abide by the Code of Conduct as set forth herein; Columbia agrees to abide by the Standards of Conduct as set forth herein;
5. Marketer agrees to flow gas in accordance with the demand curves provided by Columbia.

AGGREGATION POOL

Marketers will be required to establish one or more Aggregation Pools for aggregation purposes. An Aggregation Pool shall be comprised of those customers within each Marketer's Customer Group located within the same Columbia Gas Transmission Corporation market area. Marketers shall have the option to create multiple Aggregation Pools within a single Columbia Gas Transmission market area.

DATE OF ISSUE:

Issued by: Joseph W. Kelly

DATE EFFECTIVE: July 6, 2003

Vice President

STRANDED COST/ RECOVERY POOL

STRANDED COST/ RECOVERY POOL

Columbia shall establish an account to track through ~~October~~ March 31, 2004 all of the stranded costs and revenues associated with Columbia's small volume gas transportation service program. Interest will be calculated on the Net Stranded Costs at a rate equal to the average of the three month commercial paper rate for the immediately preceding twelve month period and assigned to the Stranded Cost/Recovery Pool. T

The following shall be included in the Stranded Cost/Recovery Pool:

1. GCR Demand – Demand charges associated with sales volumes converting to transportation. An amount will be determined monthly by multiplying applicable pipeline demand charges by the volume of firm capacity in excess of that required for sales customers.
2. Information Technology - Incremental expenses for computer programming enhancements to facilitate the small volume gas transportation service program.
3. Education – Expenses for customer education conducted by Columbia for the small volume gas transportation service program, including development of program and materials and implementation.
4. Capacity Assignment – Amount of revenue received for Columbia's capacity that marketers choose to take and use as part of the small volume gas transportation service program.
5. Balancing Charges – Revenue received from balancing charge assessed to Marketers under the small volume gas transportation service program.
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7. Marketer Contribution – Revenue received from marketer's rate of \$0.05 per Mcf for all volumes delivered to marketer's customers.
8. Any revenue received from penalties assessed Marketers as part of the small volume gas transportation service program will also be assigned to the Stranded Cost/Recovery Pool. Penalties imposed upon Marketer as a prorata share of pipeline penalties and/or costs Columbia itself incurs are not included.

Net Stranded Costs

Net Stranded Costs = Stranded Cost/Recovery Pool + Interest:

If the Net Stranded Costs balance at ~~November~~ April 1, 2004 is greater than or less than zero, Columbia will absorb the loss if the costs exceed revenues or if revenues exceed costs, Columbia will credit the gain to sales and SVGTS customers on a throughput basis. T

DATE OF ISSUE:

Issued by: Joseph W. Kelly

DATE EFFECTIVE: July 6, 2003

Vice President

**ATTACHMENT 2
STRANDED COST AND RECOVERY
POOL SCHEDULE**

**ATTACHMENT 3
TARIFFS
TO BE RESTORED
APRIL 1, 2004**

**GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)**

GAS COST ADJUSTMENT CLAUSE - (Continued)

Delivery Service

FERC approved direct billed pipeline supplier charges relating to the buyout of Take-or-Pay liabilities will be billed to Delivery Service Fixed Rate Volumes.

Banking and Balancing Service

This rate is based on the percentage of the portion of storage capacity allocated to Delivery Service Customers to Company's total annual storage capacity, applied to:

- (1) Columbia Transmission's FSS seasonal capacity charge, annualized,
- (2) Columbia Transmission's SST commodity charge, and
- (3) Columbia Transmission's FSS injection and withdrawal charges

as calculated in the Gas Cost Adjustment.

Capacity Release Revenues:

Capacity release revenues generated by Administrative Releases will be credited 100% to gas cost.

Capacity Release Revenues, other than those revenues generated by Administrative Releases will be reflected as follows:

- (1) Columbia will not share in capacity release revenues until the benchmark is reached. The initial benchmark of \$461,574 will be used for the period August 1, 1996 through July 31, 1997. Coincident with subsequent annual actual cost adjustment filings, the benchmark will be recalculated based on an annualized simple monthly average using actual data for the thirty-six months ending June 30th of the year in which the ACA filing is made.
- (2) Columbia will retain 100% of capacity release revenues above the benchmark until the benchmark is 65% of the total at which point Columbia will retain 35% of revenues.
- (3) The customer portion of the capacity release program will be credited to customers through the appropriate ACA calculation.

**GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)**

GAS COST ADJUSTMENT CLAUSE - (Continued)

Off-System Sales Revenue:

Sixty-five percent (65%) of all revenues received under the off-system sales and exchange program (other than those revenues generated by operational sales), net of costs, will be credited to customers through the appropriate ACA calculation.

All revenue generated by operational sales will be credited 100% to gas cost

Prior to making any off-system sale, Columbia will consider the impact of such sale upon its system gas supply, and will also evaluate the benefits that will accrue to sales customers as a result of the off-system sale.

Interim Gas Cost Adjustments

Should any significant change in supplier rates occur, Company may apply to the Commission for an Interim Gas Cost Adjustment Clause in addition to the regular quarterly Gas Cost Adjustment Clause filings.

DATE OF ISSUE:
Issued by: Joseph W. Kelly

DATE EFFECTIVE: April 1, 2004
Vice President and Chief Operating Officer

**GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)**

GAS COST ADJUSTMENT CLAUSE - (Continued)

Delivery Service

FERC approved direct billed pipeline supplier charges relating to the buyout of Take-or-Pay liabilities will be billed to Delivery Service Fixed Rate Volumes.

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This rate is based on the percentage of the portion of storage capacity allocated to Delivery Service Customers to Company's total annual storage capacity, applied to:

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- (2) Columbia will retain 100% of capacity release revenues above the benchmark until the benchmark is 65% of the total at which point Columbia will retain 35% of revenues.
- (3) The customer portion of the capacity release program will be credited to customers through the appropriate ACA calculation.

~~DATE OF ISSUE: June 19, 2000-~~
Issued by: Joseph W. Kelly

DATE EFFECTIVE: July 19, 2000 April 1, 2004
Vice President and Chief Operating Officer

Issued by authority of an Order of the Public Service Commission in Case No. 99-165 dated May 19, 2000

**GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)**

GAS COST ADJUSTMENT CLAUSE - (Continued)

Off-System Sales Revenue:

Sixty-five percent (65%) of all revenues received under the off-system sales and exchange program (other than those revenues generated by operational sales), net of costs, will be credited to customers through the appropriate ACA calculation.

___ All revenue generated by operational sales will be credited 100% to gas cost

Prior to making any off-system sale, Columbia will consider the impact of such sale upon its system gas supply, and will also evaluate the benefits that will accrue to sales customers as a result of the off-system sale.

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DATE OF ISSUE:
Issued by: Joseph W. Kelly

DATE EFFECTIVE: ~~July 19, 2000~~ April 1, 2004
Vice President and Chief Operating Officer

~~Issued by authority of an Order of the Public Service Commission in Case No. 99-165 dated May 19, 2000~~