



Ernie Fletcher
Governor

Mark David Goss
Chairman

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

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

Teresa J. Hill
Vice Chairman

Christopher L. Lilly
Commissioner
Department of Public Protection

Gregory Coker
Commissioner

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

December 6, 2005

RE: Case No. 2005-00400

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact Jorge Valladares at (502) 564-3940 ext. 424.

Sincerely,

Beth O'Donnell
Executive Director

BOD/jc
Enclosure

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 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 APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC. FOR AN ORDER AUTHORIZING)	CASE NO.
ISSUANCE AND SALE OF PROMISSORY NOTES)	2005-00400

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

Columbia Gas of Kentucky, Inc. ("Columbia") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the date of this request. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to pages 3-4 in Section M of the application. Columbia Gas states that it anticipates issuing unsecured notes to NiSource Finance Corporation with final maturities of 30 years. The notes will bear an interest rate that corresponds to the price offered companies with financial profiles similar to NiSource Finance Corporation reflecting market conditions at the time of issuance.

a. Explain whether Columbia Gas has reviewed forecasts of the Treasury yield and corresponding maturities for companies with a credit risk profile equivalent to that of NiSource Finance Corporation.

b. Provide Columbia Gas's credit risk profile and compare that credit risk profile to that of NiSource Finance Corporation. Identify any items in Columbia Gas's credit risk profile that compare unfavorably with NiSource Finance Corporation. Describe the impact on the interest rate for the new Notes resulting from the unfavorable items.

2. Refer to page 3 in Section J of the application. Columbia Gas states that, "in order for Columbia's indebtedness to more closely reflect the NiSource cost debt and maturity term, Columbia's current debt must be refinanced with new Promissory Notes." Explain in detail the basis for this statement.

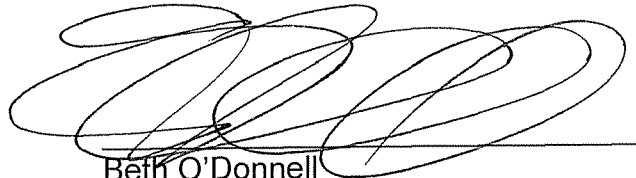
3. Refer to page 2 in Sections H and I of the application, which refers to Refinancing of Current Notes. Explain why the proposed financing on November 28, 2005, in tranches of 7-year, 10-year, 11-year, and 20-year maturities with maximum maturities of 20 years, is preferable to longer-term bond issues.

4. Refer to page 3 in Section J of the application. The explanation implies that intercompany loans with NiSource Financial Corporation will result in equal or lower financing costs.

a. Identify the savings that Columbia Gas anticipates from the unsecured issuance of the notes represented in the table provided on Exhibit C.

b. Provide a schedule of interest rates and term of the notes available through NiSource Finance Corporation as of November 1, 2005. Include the

calculations supporting the interest rates provided in the schedule. Also identify the "Comparable Risk Companies" used to determine each interest rate.

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom, positioned above the typed name.

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

DATED December 6, 2005

cc: All Parties