

ATTORNEY AT LAW
2332 OLD HICKORY LANE
LEXINGTON KY 40515

(859) 245-1546
(859) 245-4312 (fax)

June 26, 2006

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JUN 27 2006

PUBLIC SERVICE
COMMISSION

Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort KY 40602-0615

Re: The Notice of Proposed Rate Change for Interstate Natural Gas Company,
Case No. 2006-00122

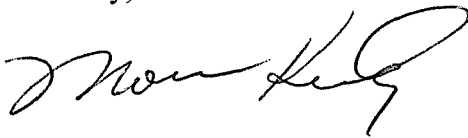
Dear Ms. O'Donnell:

Enclosed for filing in the referenced Case, please find the "Petition of Interstate Natural Gas Company for Confidential Treatment of Data Request Responses". As required by regulation, one copy of the material for which confidential treatment is requested is attached to the Petition with the confidential data highlighted in blue, transparent ink. This confidential data appears on page No. 3 of the Data Request Responses, as responses to Data Requests Nos. 5.a. and 5.c. Ten (10) additional copies of the Data Request Responses are also enclosed with the confidential data obscured. None of the Exhibits referred to in the Data Request Responses are included with those Responses filed with the Petition as they have no bearing on the request for confidentiality.

Under separate cover, Interstate is also filing with the Commission this date an original and six (6) copies of its Data Request Responses, complete with Exhibits. On these Responses it is noted that confidential treatment has been requested for the Responses to Data Requests Nos 5.a. and 5.c, and those responses do not appear.

Should you require anything further in this regard, please do not hesitate to contact me.

Sincerely,



Morris Kennedy

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

THE NOTICE OF PROPOSED RATE
CHANGE FOR INTERSTATE NATURAL
GAS COMPANY

CASE NO. 2006-00122

PETITION OF INTERSTATE NATURAL GAS COMPANY
FOR
CONFIDENTIAL TREATMENT OF DATA REQUEST RESPONSES

Comes Interstate Natural Gas Company (“Interstate”), by counsel, and, pursuant to this Commission’s regulations as set forth in 807 KAR 5:001, Section 7, requests confidential treatment of certain information submitted in response to the “Initial Data Request of Commission Staff to Interstate Natural Gas Company”. Specifically, Interstate requests that its responses provided to Initial Data Request Nos. 5.a. and 5.c. remain confidential.

Data Request No. 5.a. asks that Interstate “Provide the total volumes sold by Interstate during the past 24-month period.”. Data Request No. 5.c. asks that Interstate “Provide the per Mcf revenue derived from non-farm tap customers for the last 24 months.”. In requesting confidential treatment of its responses to these requests, Interstate relies on the public record exemptions contained in KRS 61.878(1)(a) and KRS 61.878(1)(c)1.

First Ground for Exemption

KRS 61.878(1)(a) provides for public record exemption for “Public records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy.” Interstate is a partnership comprised of two individuals. To make public the amount of natural gas sold by the partners, together with the per Mcf revenue derived from non-farm tap customers (which customers purchase in excess of 99% of all Interstate’s sales), for the past 24 months would make public the bulk of the partners’

gross income for the period. Certainly, the public revelation of such information would constitute an “invasion of personal privacy”.

Turning to the question of whether such an invasion of personal privacy would be “unwarranted” in this case, Interstate submits that it clearly would be. During discussions of the relevancy of these Data Requests with Commission Staff, Interstate’s counsel was advised that the Commission was making these data requests to establish a database of such information from larger farm-tap providers. This being the case, there is no need for this information to be seen by anyone outside the Commission. Interstate has no objection to providing the information in question to the Commission for its internal use (even though Interstate does not believe the information is relevant to determining whether the rate increase sought in its application herein is just and reasonable), but strongly objects to such information being made public.

Finally in this regard, Interstate notes that there are no intervenors in this Case. To make this personal information available to the public in a proceeding in which Interstate and the Commission are the only participants serves no good purpose.

Second Ground for Exemption

61.878(1)(c)1. provides for public record exemption for “...records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records”. Interstate submits that the information sought by Data Requests Nos. 5.a. and 5.c. is both confidential and proprietary. Further, to make such information public would provide Interstate’s competitors with an unfair commercial advantage.

Interstate operates a natural gas and oil exploration and production business in eastern Kentucky. In order to continue in business, Interstate must effectively compete daily for leasehold rights in this highly competitive region. To allow Interstate’s competitors access to its sales volumes and revenues for the past 24 months would clearly permit an unfair commercial advantage to its competitors. For example, an entity competing with Interstate for a particular

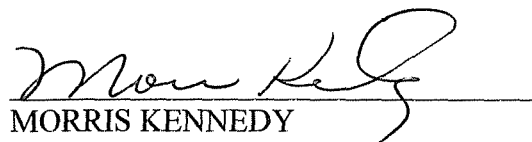
lease could point to the per Mcf revenue figure provided by Interstate in response to Data Request No. 5.c. and argue that the Interstate sales price is lower than the competitor's and thus not as advantageous to the mineral lessor. Of course, in so arguing, the competitor may conveniently fail to point out that the Interstate revenue figure is an average number going back over a 24 month period of time not reflective of today's higher market prices, while possibly using for comparative purposes the competitor's revenue figures for only the previous twelve month period when prices were much higher.

The foregoing is but one example of many possible uses competitors could make of the Interstate revenue figure. The point is, the competitor would have a benchmark from Interstate, given great credibility by the fact that it is a figure reported to the Commission in an official proceeding, and this benchmark could be put to whatever use the competitor wished. Interstate would have no comparable information from its competitors. This would be the definition of an "unfair commercial advantage".

Conclusion

Based on the foregoing, Interstate requests that the information it provides in response to Initial Data Request Nos. 5.a. and 5.c. (as shown on attached page No. 3 of Responses to Data Requests, highlighted in blue transparent ink) remain confidential pursuant to Commission Regulation 807 KAR 5:001, Section 7, and be declared exempt from inspection pursuant to KRS 61.870, et seq.

Respectfully submitted,



MORRIS KENNEDY
Attorney for Interstate Natural Gas
Company
2332 Old Hickory Lane
Lexington KY 40515
(859) 245-1546

CC: All Parties