



Ernie Fletcher  
Governor

Mark David Goss  
Chairman

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
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P.O. Box 615  
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Teresa J. Hill  
Vice Chairman

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Gregory Coker  
Commissioner

May 9, 2006

Mr Michael Burke  
Controller  
Interstate Natural Gas Company  
347 Thompson Road  
Pikeville, KY 41502-3385

RE: Case No. 2006-00122

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

If you need further assistance, please contact Dawn McGee at (502) 564-3940 ext.  
243.

Sincerely,

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

Beth O'Donnell  
Executive Director

BOD/sh  
Enclosure



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Honorable Morris Kennedy  
Attorney at Law  
2332 Old Hickory Lane  
Lexington, KY 40515

May 9, 2006

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PROPOSED RATE	)	CASE NO.
CHANGE FOR INTERSTATE NATURAL	)	2006-00122
GAS COMPANY	)	

INITIAL DATA REQUEST OF COMMISSION STAFF  
TO INTERSTATE NATURAL GAS COMPANY

Interstate Natural Gas Company ("Interstate"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 6 copies of the information requested, with a copy to all parties of record. The information requested herein is due no later than 10 days from 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. Provide the number of gas wells involved in serving the 139 farm tap customers.
2. Refer to Schedule I, Well Operator Cost.

a. Explain the basis for the calculation of the base pay and the number of minutes for meter reading, call-outs and maintenance and overtime.

b. Overtime is listed as 4.5 hours. Explain whether the estimate is per year, per customer or the total number of overtime hours for the year.

3. Refer to Schedule 2, Administrative Personnel Cost. Explain the basis for the calculation of the base pay and the estimates of the number of hours for: the preparing, reviewing and inputting invoices; processing cash receipts and depositing in the bank; and collections and customer questions.

4. Refer to Schedules 4 and 5. The IRS mileage rate and the postal rate are currently greater than that used in the schedules, 44.5 cents per mile and 39 cents per stamp, respectively. Does Interstate agree that the more current rates should be used?

5. Refer to the first page of Interstate's application. Interstate has developed its gas cost based on the NYMEX strip and a 2-year average of the Appalachian Differential. Provide a list of other indices that would be applicable for pricing the gas.

a. Provide the total volumes sold by Interstate during the past 24-month period.

b. Provide the volumes sold to farm tap customers during the past 24-month period.

c. Provide the per Mcf revenue derived from non-farm tap customers for the last 24 months.

d. The Btu conversion rate used in Interstate's application is 1,252. Provide the basis for this conversion rate as well as a gas analysis for the wells serving Interstate's farm tap customers.

e. Provide any documentation used to arrive at the Btu conversion rate.

f. Provide Schedule 6 (which was not included in the application).

6. Refer to Interstate's Notice of Proposed Rate Change. The present rate is reported as \$5.50 per Mcf, however, Interstate's tariff lists several different rates for its customers, depending on the existing rate when Interstate acquired the customers.

a. Is Interstate requesting approval to unify the rate across all customers?

b. If yes, explain why Interstate would prefer a unified rate.

c. Have the customers who do not pay \$5.50 per Mcf been notified of their increase and the estimated effect on their bill? If no, explain why these customers were not notified of this change. If yes, explain whether these customers received the notice included in the application or a different notice which reflects their existing rate.



Beth O'Donnell  
Executive Director  
Public Service Commission  
Post Office Box 615  
Frankfort, Kentucky 40602-0615

DATED: May 9, 2006

cc: All Parties