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PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC. FOR AN ADJUSTMENT OF GAS RATES	)))	Case No. 2007-00008

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Initial Request for Information to Columbia Gas of Kentucky, Inc. ["Columbia"], to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If Columbia objects to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(10) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.

Respectfully submitted,
GREGORY D. STUMBO
ATTORNEY GENERAL

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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the Attorney General's Initial Requests For Information were served and filed by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; furthermore, it was served by mailing a true and correct copy of the same, first class postage prepaid, to:

Hon. Stephen B. Seiple
Attorney at Law
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all on this 10th day of April, 2007.

Assistant Attorney General

Attorney General's Initial Data Requests
to Columbia Gas of Kentucky
Case No. 2007-00008

I. Accounting and Revenue Requirements

1. Please provide trial balances as of 9/30/06 and 12/31/06. These trial balances should show detailed balance sheet FERC accounts and sub-accounts as of 9/30/06 and 12/31/06, as well as detailed income statement (revenues, expenses, taxes) FERC accounts and sub-accounts for the 12-months ended 9/30/06 and 12/31/06.

2. In the same format and detail as shown on Schedule C-2.1, column (1) ["unadjusted total utility"], please provide schedules showing a side-by-side comparison of the actual "Operating Revenues and Expenses by Accounts" for calendar year 2006 and for the 4 years prior to the test year (<u>note</u>: if actual annual data for the 12-month periods ending 9/30/05, 9/30/04, 9/30/03 and 9/30/02 are not readily available, please provide actual annual data for calendar years 2005, 2004, 2003 and 2002).

3. The Table of Contents of filing Volume 7 indicates that Ms. Cooper's direct testimony in this case includes testimony regarding "merger savings and rate mechanism." Please indicate where this information is included in Ms. Cooper's direct testimony.

   In addition, explain how the merger savings and merger saving rate mechanism was treated in the Company's prior rate case, and how much of these merger savings are reflected in the actual and pro forma-adjusted test year results.

4. Please provide copies of Columbia Gas of Kentucky's annual reports for the years 2001, 2002, 2003, 2004 and 2005 that are on file with the Commission, as referenced on FR # 1-2. In addition, provide a copy of the 2006 annual report as soon as this had been filed on March 31, 2007.

5. With regard to the short-term debt balance and cost reflected by the Company in this case, please provide the following information:

   a. Attachment PRM-5 indicates that the 13-month average ST debt balance for the test year was $8,052,333. Please provide each of the 13 monthly test year balances. In addition, provide the equivalent monthly ST debt balances for the first 9 months of 2005 and for each of the months of 10/2006 through 02/2007.
   b. Please expand Schedule J-2 by providing the actual cost of ST debt for each month of the test year and for each month after the test year through February 2007.

6. The Company is proposing a total jurisdictional rate base of $171,447,599 and a total jurisdictional capitalization of $152,032,872 (see Attachment PRM-5) in this case. In this regard, please provide the following information:

   a. Please reconcile the $19,414,727 difference between the rate base and capitalization balances (note: in your response, please do not refer back to the information shown on FR # 6-i in Tab 27 because that information is not responsive to what is being requested here).
   b. In Case No. 2000-080, the Commission on p. 11 of its order dated Sept. 27, 2000 stated: "The Commission is inclined to agree with the AG's observation that when rate base exceeds capitalization, this indicates that portions of rate base have been financed with funds from sources other than debt, preferred stock and common equity." Since the requested rate base in the current case is $19.4 million higher than the requested capitalization, explain why it is reasonable and appropriate to allow a return on $19.4 million worth of rate base that has not been funded by investor-supplied capital.

7. As shown on Schedule B-3.1, the Company has not proposed any adjustments to its proposed actual test year-end accumulated depreciation reserve balance. However, as shown on Schedule C-2, line 10, the Company in this case has proposed annualized deprecation expenses of $7,396,787, which are $2,079,946 higher than the actual unadjusted test year depreciation expenses of $5,316,841. Please explain why the Company has not proposed a pro forma adjustment to increase its test year accumulated depreciation reserve balance by the proposed $2,079,946 annualized depreciation adjustment, consistent with well-established and long-standing Commission ratemaking policy.[1]

8. The Company has calculated pro forma annualized depreciation expenses of $7,386,524 based on the application of Mr. Spanos' proposed new depreciation rates to the actual test year-end depreciable plant in service balances, as well as pro forma annualized depreciation expenses of $10,263 based on the application of Mr. Spanos' proposed new depreciation rates to certain actual test year-end CWIP balances. Please provide the equivalent annualized deprecation expense amounts calculated by the application of the *currently existing* depreciation rates to the test year-end depreciable plant in service balances and to the test year-end CWIP balances.

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[1] For example, see page 5 of the PSC Order in Case No. 2004-00067 (date: 11-10-2004); pages 14 and 15 of the PSC Order in Case No. 2001-00092 (date: 1-31-2002); page 18 of the PSC Order in Case No. 2000-080 (date: 9-27-2000); and pages 3 and 4 of the PSC Order in Case No. 92-346 (dated 7-22-1993).

9. What kind of materials and supplies are included in Miscellaneous Deferred Debt sub-account 12357 shown on WPB-5.1, sheet 1 of 4 and why should this account be included in rate base?

10. Provide a break out of the various prepayment components included in the 13-month average test year prepayment balance of $344,194.

11. On page 9, lines 7-9 of his testimony, Mr. Miller states that "The increase in gas in underground storage is due to the significant increase in the cost of gas that the industry has experienced since 2001." In this regard, please provide the actual unit cost of gas ($/Dth) for each month from 1/1/2001 through 2/28/07.

12. WPB-5.1, sheet 3 of 4 shows actual gas stored underground dollar balances for each of the months of September 2005 through September 2006. In this regard, please provide the following information:

    a. Actual monthly gas stored underground volume (in Dths) and the applicable actual average monthly gas price per Dth which, when applied to the monthy Dth volume, results in each of the monthly dollar balances shown on sheet 3 of 4.
    b. Similar actual monthly gas stored underground volumes (in Dths), the applicable actual average monthly gas prices per Dth, and the resulting actual monthly gas stored underground dollar balances for October 2006 through February 2007.
    c. Similar actual monthly gas stored underground volumes (in Dths), the applicable actual average monthly gas prices per Dth, and the resulting actual monthly gas stored underground dollar balances for October 2001 through August 2005.

13. The 9/30/06 balance sheet in FR # 6-r shows an Account 252 – Customer Advances for Construction balance of $1,040,995. Please reconcile this with the Account 252 – Customer Advances for Construction balance of $163,698 that is being reflected as a rate base deduction in this case and explain why the difference of $877,297 should not be used as a rate base deduction.

14. With regard to the Company's accumulated deferred income taxes, please provide the following information:

    a. Description and dollar amount breakout of all of the actual per books accumulated deferred income tax components booked by the Company as of 9/30/06 in accounts 190, 281, 282, 283 (and in other accounts, if any).

b. An indication as to which of the ADIT components to be provided in the response to part a above has been used as a rate base deduction and which ADIT components have not been used as a rate base deduction.
c. For each of the ADIT balances identified in the response to part b as a non-rate base deduction balance, explain why they have not been deducted from rate base.

15. Please explain the nature and purpose of the Account 190 ADIT balances of $3,171,890 and $597,384 for LIFO Inventory, shown on Schedule B-6, lines 5 and 6.

16. The 9/30/06 balance sheet in FR #6-r shows an Account 228.3 – Accumulated Provision for Injuries and Damages of $275,216. In this regard, please provide the following information:

    a. Explanation of the nature of this account balance.
    b. Actual Account 228.3 – Accumulated Provision for Injuries and Damages balances for each month from February 2002 through February 2007.

17. Please provide a description and dollar amount breakout of all of the components making up the 9/30/06 Account 242 – Miscellaneous Current and Accrued Liability balance of $28,861,586 and the 9/30/06 Account 253 -- Other Deferred Credits balance of $2,509,691. In addition, explain why none of the components included in these two balances have been treated as rate base deductions in this case.

18. Provide a dollar amount breakout of all of the components (3%, 4%, 10% ITC, etc.) making up the actual 9/30/06 Account 255 - ADITC balance of $963,300 shown in the 9/30/06 balance sheet in FR # 6-r.

19. With regard to the Company's proposed pro forma test year property taxes of $1,791,020 shown on Schedule D-2.11 and discussed on page 16 of Mr. Humrichhouse's testimony, please provide the following information:

    a. Provide the actual property tax credits booked by the Company as a result of successful property tax valuation protests in each of the last 10 years. In addition, indicate to which tax years these tax credits applied (e.g., the $118,256 tax credit booked in the test year applied to tax years 2004 and 2005).
    b. Explain the process of these property tax valuation protests and whether the Company files such tax valuation protests on an annual basis.
    c. Provide the most recent available annual property tax assessment for the Company by the KDR and explain whether this assessment is an initial

assessment that can still be protested or whether it represents a final assessment that has been adjusted for any protests.

20. The adjusted state income tax amount of $229,026 shown on line 6 of Schedule E-1, sheet 1 of 2 is 5.96% of the State Taxable Income on line 5. Please explain why this state income tax rate is not 6.00%.

21. Provide the bases for the Annual No. Occurances and Behavioral Factors shown on Attachment JMC-2.

22. Please provide the actual Account 487 – Forfeited Discounts and Account 488 – Miscellaneous Service Revenues for each of the years 2002, 2003, 2004, 2005 and 2006.

23. The Company's test year Account 495 – Other Gas Revenues amount to $9,120,973, consisting of $8,646,115 for Non-Traditional Sales revenues and $474,858 for Other Gas Revenues – Other. In this regard, please provide the following information:

    a. What kind of products/services are associated with the $474,858 revenues?
    b. Actual Other Gas Revenues – Other (equivalent to the test year revenues of $478,858) for each of the years 2002 through 2006.
    c. What kind of products/services are associated with the $8,646,115 – Non Traditional Sales revenues and why has the Company removed these revenues from the pro forma test year?
    d. Schedule M-2.1 shows that the $8,646,115 Non Traditional Sales revenues have associated gas cost revenues of $8,649,117. Please reconcile the $3,002 difference.
    e. What are the gas costs associated with the $8,646,115 Non Traditional Sales that have been removed from the test year as part of the total Gas Supply Expense adjustment of $8,646,115 shown on line 18 (D-2.1) of Schedule D-1, sheet 1?

24. On page 7, lines 1 -11 of her direct testimony, Ms. Cooper discusses proposed increases in the fees to reconnect service that was discontinued at the request of the customer. In this regard, please provide the following information:

    a. What are the actual test year revenues from these reconnect services, in which account are these revenues recorded and where are these revenues reflected on Schedule M page 2 of 2?
    b. In the same format and detail as per her Attachment JMC-2, provide a schedule showing the estimated incremental annual revenues resulting from the proposal to increase these reconnect services fees. In addition,

explain why the Company has not reflected these incremental revenues for ratemaking purposes in this case.

25. Please indicate and describe where in the "M" schedules (and in any other filing schedules) the revenue annualization adjustment "to reconcile the Energy Assistance Program ("EAP") surcharge revenues with EAP expense" (Humrichhouse testimony page 10, lines12-13) is reflected.

26. Schedule D-1, sheet 1 (D-2.1), line 18 shows that the proposed revenue adjustments on lines 1 – 12 result in an associated decrease in gas supply expenses of $28,973,361. Please provide a worksheet showing the calculations in support of this gas supply expense adjustment and showing that the gas volumes underlying this gas supply expense adjustment are the same as the gas volumes underlying the various revenue adjustments on lines 1 -12.

27. The Company's proposed pro forma adjusted gas supply expenses amount to $112,218,147. In this regard, please provide the following information:

    a. Is 100% of this proposed gas supply cost of $112,218,147 recovered through the Company's GCA clause? If not, explain which portion of the total cost of $112,218,147 is recovered through the GCA and which portion is recovered through base rates.
    b. Provide a schedule reconciling the pro forma gas supply cost of $112,218,147 to the corresponding GCA revenues included in the adjusted test year operating revenues of $158,276,796.

28. In deriving the weather-normalized residential and commercial customer usage numbers for 2001 and 2006 shown in the table at the bottom of page 2 of Mr. Gresham's testimony, did the Company use the same weather normalization statistics for both 2001 and 2006 (i.e., are the usage changes indicated in the table solely caused by factors other than weather, or is a portion of these usage changes caused by the fact that the Company used different normalized weather averages for the years 2001 and 2006)?

29. Please indicate what the total pro forma adjusted test year gas sales and gas transportation revenues of $157,294,349.77 would be if the Company had used 65 degrees as the reference point for HDD rather than 63 (residential) and 64 (commercial) degrees.

30. Please indicate what the total pro forma adjusted test year gas sales and gas transportation revenues of $157,294,349.77 would be if the Company had assumed normal weather to be the 25-year average of 1981 – 2005 rather than the 20-year period 1986-2005.

31. Please indicate what the total pro forma adjusted test year gas sales and gas transportation revenues of $157,294,349.77 would be if the Company had assumed normal weather to be the 25-year average of 1981 -- 2005 and had used 65 degrees as the reference point for HDD.

32. Please provide the KPSC assessment rate currently in effect and the rate expected to be in effect for 2007. In addition, provide the basis for the latter rate.

33. For the test year and each of the years 2002, 2003, 2004, 2005 and 2006 (all actual data), please provide the following information regarding uncollectible data:

    a. Reserve account balance at beginning of year.
    b. Charges to the reserve account.
    c. Credits to the reserve account.
    d. Current year provision (accrual)
    e. Reserve account balance at end of year.
    f. Total revenues subject to uncollectibles (indicate customer class revenues, e.g., residential, commercial, public authority, etc.)
    g. Percent of provision (accrual) to total revenue (line d / line f)

34. With regard to the uncollectible expense data shown on Schedule D-2.1, please provide the following information:

    a. Basis for and all calculations underlying the accrual rate of 1.163918%.
    b. Equivalent actual accrual rates for each of the 5 years prior to the test year, including the calculations for these rates.
    c. Reconciliation between the actual test year per books uncollectible expense of $1,284,001 and the actual test year per books uncollectible expense of $1,707,449 shown on Schedule C-2.1, sheet 2, line 59. In addition, provide a dollar amount breakout of the specific components of the difference of $423,448.
    d. Explanation as to why the adjustment is calculated for the residential revenues only.
    e. Show how and where the actual test year per books EAP of 393,503 is included in the total Account 904 – Uncollectible Accounts expenses of $1,707,449.
    f. Show and explain the derivation of the annualized EAP recovery in Account 904 of $509,141 and show where this derivation is reflected in the filing schedules (it is not shown on M-2.2, pages 5 & 23, as indicated on Schedule D-2.1, sheet 5, line 8).

35. With regard to WPD-2.2, sheet 4 of 8, please provide the actual Direct O&M Percentage (equivalent to the actual test year percentage of 72.21%) for each of the years 2002 through 2006.

36. With regard to WPD-2.2, sheet 3 of 8, please provide (total annual amounts only) the actual overtime hours, normal pay amount, overtime pay and premium pay for each of the years 2002 through 2006.

37. Please provide the actual number of employees (in total and as broken out by employee category) for each of the months from January 2003 through February 2007.

38. Please provide filing requirement Schedule G-1 (details about the test year payroll cost, employee benefits and payroll taxes) and Schedule G-2 (payroll analysis data for the test year as compared to the 5 years prior to the test year regarding man hours, labor dollars, employee benefits, payroll taxes and employee levels). [Note: while the Company claims that this filing requirement information is not a requirement of an historic test period filing, the AG is seeking this same information through this request for information].

39. With regard to incentive compensation programs offered to the employees of Columbia
Gas of Kentucky, please provide the following information:

    a. Management summary of the various types of incentive compensation programs offered by the Company to its employees. For each separate incentive compensation program offered, this management summary should include descriptions of the type and level and employees that may participate in the program, as well as the type of performance goals that must be achieved in order to receive incentive compensation from the particular program.
    b. Copies of all internal Company documents describing each of the incentive compensation programs offered by the Company to its employees.
    c. Actual incentive compensation expenses (in total and broken out by incentive compensation program type) booked by the Company in each of the years 2002 through 2006, in the test year, and in the pro forma adjusted test year.
    d. Percentage and dollar portion of incentive compensation expenses claimed for the pro forma adjusted test year in this case ($279,000) that is a function of the achievement of corporate financial performance goals. In addition, describe these financial performance goals.

40. With regard to WPD-2.3, sheet 1 of 2, please provide the following information:

    a. Explanation of the derivation and basis of the pro forma incentive accrual for 2006 of $227,789.
    b. Equivalent incentive accrual included in the approved 2007 budget.
    c. Explanation of the derivation and basis of the pro forma profit sharing expense of $44,000. In addition, explain what the profit sharing represents and how it can be distinguished from the incentive accrual.
    d. Basis for the assumed O&M expense ratio of 74.52% and a reconciliation between this assumed ratio and the pro forma labor expense ratio of 72.21% used by the Company in this case.
    e. Explanation as to why the Company did not book any positive incentive compensation in the test year.
    f. Explanation of the reasons for the out-of-period $151,213 bonus accrual and $18,421 profit sharing accrual reversals booked in the test year.

41. Since the service and outsourcing agreement with IBM is for a 10-year period, explain the rationale for, and reasonableness of, the Company's proposal to amortize the associated one-time restructuring costs to implement the IBM contract.

42. On page 8 of her direct testimony, Ms. Taylor states that Corporate Services billed Columbia Gas of Kentucky $44,375 for cost of capital charges in the test year. In this regard, please provide the following information:

    a. What overall cost of capital rate was used in the derivation of the test year cost of capital charge of $44,375?
    b. What would be the pro forma test year Corporate Services cost of capital charge to Columbia Gas of Kentucky based on the Company's proposed overall cost of capital rate of 8.71% in this case?

43. To the extent that the actual and/or pro forma adjusted test year results include any expenses and/or capital expenditures directly or indirectly associated with the acquisition of Columbia Gas of Kentucky by NiSource, please quantify such expenses/capital expenditures, indicate where they are reflected in the filing schedules, and justify the reasonableness of including such costs for ratemaking purposes in this case.

44. NiSource's 2005 Form 10-K, page 84, paragraph 3 ("Restructuring Activities") states that ..." In 2000, these restructuring initiatives included a severance program, a voluntary early retirement program, and a transition plan to implement operational efficiencies throughout the company. In 2001, NiSource's restructuring initiatives focused on creating operating efficiencies in the Gas

Distribution and the Electric Distribution segments and included the closure of the Mitchell Station in Gary, Indiana. During 2002, NiSource implemented a restructuring initiative which resulted in employee terminations throughout the organization mainly affecting executive and other management-level employees. In connection with these earlier restructuring initiatives, a total of approximately 1,600 management, professional, administrative and technical positions were identified for elimination. As of December 31, 2005, approximately 1,565 employees were terminated, of whom 3 employees were terminated during 2005." In this regard, please provide the following information:

a. Is the annualized cost savings impact of these 2000, 2001 and 2002 restructuring initiatives fully reflected in the proposed pro forma test year NCSC cost allocation to Columbia Gas of $10,275,013? If so, explain how this is so. If not, explain why not.
b. At which exact dates did NiSource start experiencing and booking the cost savings from these restructuring initiatives? Provide this information separately for the 2000, 2001 and 2002 restructuring initiatives.
c. Do the pro forma adjusted test year results include any expenses (e.g, amortizations of deferred one-time implementation and restructuring costs) associated with each of these 2000, 2001 and 2002 restructuring initiatives? If so, (1) quantify how much of these expenses are included in the NCSC costs allocated to Columbia Gas shown on Schedule D-2.8; (2) indicated on which line items in Schedule D-2.8 these expenses are included; (3) indicate whether the deferral and amortization of these expenses was authorized by the KPSC; and (4) indicate the expiration dates of these amortization expenses for each of the restructuring initiatives.

45. NiSource's 2005 Form 10-K, page 84, paragraph 3 ("Restructuring Activities") states that ... In the fourth quarter of 2005, NiSource announced a plan to reduce its executive ranks by approximately 15% to 20% of the top-level executive group. In part, this reduction will come through anticipated attrition and consolidation of basic positions. NiSource recognized $2.9 million restructuring charge in the fourth quarter of 2005 for anticipated severance payments expected to be made in connection with this action." In this regard, please provide the following information:

a. Is the annualized cost savings impact of this 2005 employee reduction program fully reflected in the proposed pro forma test year NCSC cost allocation to Columbia Gas of $10,275,013? If so, explain how this is so. If not, explain why not.
b. At which exact dates in 2005 and 2006 did NiSource start experiencing and booking the cost savings from this employee reduction initiative?

c. Do the pro forma adjusted test year results include any expenses (e.g, amortizations of deferred one-time implementation and restructuring costs) associated with this employee reduction initiative? If so, (1) quantify how much of these expenses are included in the NCSC costs allocated to Columbia Gas shown on Schedule D-2.8; (2) indicated on which line items in Schedule D-2.8 these expenses are included; (3) indicate whether the deferral and amortization of these expenses was authorized by the KPSC; and (4) indicate the expiration date of these amortization expenses.

46. NiSource's 2005 Form 10-K, page 84, paragraph 3 ("Restructuring Activities") states that a result of the 10-year service and outsourcing agreement with IBM ..."a total reduction of approximately 1,000 positions is expected through the transition period. In this regard, please provide the following information:

   a. Is the annualized cost savings impact of the 1000 employee reduction fully reflected in the proposed pro forma test year NCSC cost allocation to Columbia Gas of $10,275,013? If so, explain how this is so. If not, explain why not.
   b. At which exact dates in 2005 and 2006 did NiSource start experiencing and booking the cost savings from this employee reduction initiative associated with the IBM contract?
   c. Do the pro forma adjusted test year results include any expenses (e.g, amortizations of deferred one-time implementation and restructuring costs) associated with the IBM contract? If so, (1) quantify how much of these expenses are included in the NCSC costs allocated to Columbia Gas shown on Schedule D-2.8; (2) indicated on which line items in Schedule D-2.8 these expenses are included; (3) indicate whether the deferral and amortization of these expenses was authorized by the KPSC; and (4) indicate the expiration date of these amortization expenses.

47. The pro forma adjusted NCSC expenses shown on Schedule D-2.8 have been increased (by $833,719) to reflect the total 2007 contractual expense level of the IBM contract. In this regard, please provide the following information:

   a. Have the pro forma adjusted NCSC expenses similarly been decreased to reflect the total annualized expense savings (from the reduction of approximately 1,000 NCSC positions and from other IBM contract related efficiencies and cost reductions) experienced or expected to be experienced as a result of the IBM contract? If so, explain what these annualized savings are and where these savings are reflected on Schedule D-2.8 and/or Attachment SMT-3. If not, explain why not.
   b. Provide the annual contractual IBM contract cost amounts to Columbia Gas of Kentucky during each of the 10-year contract period. In addition,

provide actual source documentation in support of these annual contractual costs.

48. With regard to Schedule D-2.8, sheets 1 and 2, please provide the following information:

    a. Description and dollar amount breakout of the components making up the one-time IBM outsourcing costs and other NCSC one-time costs of $1,197,829 included in the test year.
    b. Explanation as to whether these one-time costs of $1,197,829 are included in the one-time cost amounts of $2,308,090 and $216,690 on sheet 2 of 2.

49. For each of the IBM-related, NCSC-related, and direct Columbia of Kentucky one-time costs shown on Schedule D-2.8, sheet 2 of 2, please provide the following information:

    a. The time period (indicate months and years) during which these one-time costs were accumulated.
    b. Indication as to whether these costs were deferred or "expensed when incurred" on the Company's books.
    c. If these one-time costs were expensed when incurred, isn't it true that these costs are no longer reflected on the Company's current books?
    d. If these one-time costs were deferred, did the Company request and receive authorization for these cost deferrals from the KPSC? If not, why not?

50. With regard to the direct Columbia of Kentucky one-time costs and out-of-period costs shown on WPD-2.8, please provide the following information:

    a. The one-time costs apparently are related to employee layoffs resulting from the IBM contract that were directly charged to Columbia Gas of Kentucky. Please explain the reasons for this. In addition, explain whether the full annualized impact of the cost savings associated with these employee layoffs are reflected in the pro forma adjusted test year expenses and where in the filing schedules these cost savings are reflected.
    b. Provide detailed explanations for each of the three out-of-period expense charges and credits.

51. FR # 6-t, page 2 of 5 shows total annual NCSC charges to Columbia Gas of Kentucky of around $7.5 and 7.8 million in 2003 and 2004. Please provide a detailed explanation for all of the reasons why these allocated annual NCSC costs increased to $10.2 million in 2005 and $9.5 million in the test year.

52. The Company is claiming total pro forma adjusted NCSC-allocated expenses of $10,275,013 in this case. To the extent that this annual expense amount includes the following expense items, please provide a detailed listing, quantification and description of the components making up each of these expense items:

    a. Promotional and institutional advertising expenses
    b. Charitable contribution expenses.
    c. Lobbying and governmental affairs expenses.
    d. Public relations and community relations/civic affairs expenses.
    e. Expenses for employee awards, parties, outings and gifts.
    f. Fines and penalties.
    g. AGA dues.
    h. Membership dues for country clubs and social and service clubs.
    i. Incentive compensation expenses (in total and broken out by incentive compensation program).

53. With regard to property & liability insurance expenses, please provide the following information:

    a. Expand the monthly information shown on WPD-2.9, sheet 2 of 3 by providing actual monthly information for the months of October 2006 through February 2007.
    b. Reconcile the actual test year account 924 - property insurance expenses of $160,537 to the actual test year property insurance expenses shown in column (2) of Schedule D-2.9.

54. June Konold's direct testimony states that Columbia Gas of Kentucky was required to adopt SFAS No. 158 for the fiscal year ended December 31, 2006 and that this resulted in a reduction to Columbia's shareholder equity of $3,728,089. Is this approximate $3.7 million equity reduction reflected in the pro forma capitalization and capital structure proposed by the Company in this case? If so, how and where in the filing schedules is this booking reflected?

55. Please provide the Consumer Price Index ("CPI") for each of the calendar years 1996 through 2005 (measured as of December) and the September CPI value for the 9-month period ended September 30, 2006.

56. Please provide the actual Injury and Damages expenses booked by the Company for each of the years 1997 through 2005 and for the test year ended September 2006.

57. With regard to professional services expenses, please provide the following information:

a. In the same format and detail as per filing requirement Schedule F-5, provide a breakout of the professional services expenses (e.g., legal, engineering, accounting, other) included in the pro forma adjusted test year results. [Note: while the Company claims that this filing requirement information is not a requirement of an historic test period filing, the AG is seeking this same information through this request for information].
b. Provide a detailed listing and dollar breakout of all of the components making up each of the professional service expense categories to be provided in the response to part a above.
c. Equivalent actual professional service expenses (by the categories identified in part a above) booked in 2003, 2004 and 2005.

58. Please provide a dollar breakout, listing and description of each of the following expense accounts:

    a. Account 903 – Customer Records & Collections – Utility Services
    b. Account 905 – Miscellaneous Customer Account expenses
    c. Account 908 – Customer Assistance expenses
    d. Account 910 – Miscellaneous Customer Account expenses
    e. Account 921 – Office Supplies and Expenses
    f. Account 930 – Miscellaneous General expenses.

59. Please provide a detailed listing, description and dollar breakout of all test year social and service club dues and country club dues included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

60. Please provide a detailed listing, description and dollar breakout of all test year charitable expenses included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

61. Please provide a detailed listing, description and dollar breakout of all above-the-line expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges) associated with employee awards, parties, outings and gifts.

62. Please provide a detailed listing, description and dollar breakout of all test year advertising expenses included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges). In addition, indicate which of these advertising expenses can be considered promotional and institutional advertising.

63. Please provide a detailed listing, description and dollar breakout of all test year lobbying and government affairs expenses included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

64. To the extent not already included in the foregoing data request, provide a breakout, description and quantification of all test year expenses (salaries and all associated benefits and overheads) associated with employees (both Columbia direct and NCSC-allocated) responsible for governmental affairs and lobbying functions.

65. Please provide a detailed listing, description and dollar breakout of all test year public relations and community relations/civic affairs expenses included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

66. Please provide any expenses associated with fines and penalties included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

67. With regard to AGA dues, please provide the following information:

    a. Total AGA dues included in the test year expenses. In addition, explain as to whether 100% of these expenses are booked above-the-line or whether a portion of them are booked below-the-line, and explain the reason for this below-the-line portion.
    b. Please provide the latest available percentage breakout with regard to the activities performed by the American Gas Association.
    c. Provide a copy of the latest American Gas Association document that includes detailed descriptions of the nature and purpose of each of the functional areas to be provided in response to part b above.

68. Please provide a detailed listing, description and quantification of the following expenses included in the above-the-line test year O&M expenses (both direct Columbia Gas and allocated NCSC expenses):

    a. Travel expenses
    b. Meals and Entertainment expenses
    c. Expenses related to alcohol
    d. Lodging expenses
    e. Employee welfare expenses.
    f. Employee moving expenses.

g. SERP (pension) expenses.

69. At the bottom of page 10 and top of page 11 of her direct testimony, Ms. Cooper states with regard to the AMRP mechanism: "The mechanism will recognize costs changes and rate base changes directly related to the company's investment in the AMRP and establish a charge, or credit, to customers for the net change in revenue requirement attributable to the AMRP." Please provide examples showing under what circumstances Rider AMRP would provide a credit to the ratepayers for the net change in revenue requirements attributable to the AMRP.

70. Assuming that the proposed initial AMRP were to be filed March 1, 2008, is the import of the statement made by Ms. Cooper on page 15, lines 1 – 6 that (only for this initial time) the AMRP period to calculate the AMRP revenue requirement would run from October 1, 2006 through December 31, 2007? If not, explain in more detail what the true meaning is of this statement.

71. Why does Attachment JMC-3 include a line item for property taxes, uncollectible and PSC fees? Is the Company proposing to recover these expense items in Rider AMRP?

72. What review process is the Company proposing for the AMRP in terms of (1) period of time; (2) participants; (3) discovery; (4) filing requirements; (5) testimonies/affidavits; (6) hearings, etc.?

73. Is the Company proposing an earnings test showing the Company's achieved overall rate of return for its overall gas operations with and without the requested AMRP rate relief in each of its annual AMRP filings in order to ascertain that it will not earn in excess of its authorized rate of return with the inclusion of the requested AMRP rate relief?

74. Is the Company proposing caps for (1) annual AMRP rate increases; and (2) the total cumulative AMRP rate increase in-between rate cases?

75. On page 8, lines 20 - 22 of his direct testimony, Mr. Miller claims that Columbia has experienced a decline in its overall number of customers. Please reconcile this statement to the growth in the test year number of bills for the Company's residential, commercial, industrial and wholesale sale of gas customers and for the Company's residential, commercial and industrial transportation customers, as shown in the summary boxes on Workpaper WPM-B, sheets 3 and 4 of 4.

76. Starting at the bottom of page 16 and continuing on pages 17 and 18 of her testimony, Ms. Cooper explains that, through its proposed PISCC rate mechanism, the Company would continue to capitalize interest and would defer, rather than

expense, depreciation expenses and property taxes on plant that has been transferred to plant in service until this plant is placed in rate base in its next rate case. These deferred costs would be recorded in a Regulatory Asset to be included in the Company's rate base in its next rate case. In this regard, please provide the following information:

a. Since this proposed rate mechanism would increase the future revenue requirement to the Company's ratepayers, explain why this proposed rate mechanism would benefit the ratepayers rather than the Company's shareholders.
b. Since this proposed rate mechanism would increase the rates to the Company's future customers, explain why this proposed rate mechanism would result in a growth in the number of future customers.
c. Confirm that this proposed rate mechanism would allow the Company to earn a return on and recovery of plant amounts greater than the true investment in plant in service as measured by generally accepted accounting principles.

77. With regard to the response to PSC-1-32 (re. uncollectible accounts), please provide the following information:

a. Reconcile the actual test year total company revenues of $177,995,477 to the actual test year total company revenues of $187,667,052 shown on Schedule C-2.1, sheet 1, line 13.
b. Reconcile the test year Current Year Provision amount of $1,151,448 to the actual per books test year uncollectible expense of $1,707,449 in account 904.
c. The uncollectible accrual rates for the test year and the years 2003 through 2005 shown at the bottom of the response averages 0.72925%. Compare this average accrual rate to the accrual rate of 1.163918% used for ratemaking purposes in this case, as shown on Schedule D-2.1, sheet 5, and explain the reasonableness of the 1.163918% rate based on this comparison.

78. With regard to the response to PSC-1-28 (Professional Services), please provide the following information:

a. In the same format and detail as per Attachment Format 28, provide the actual professional services expenses (in total and broken out by legal, engineering, accounting and other) for each of the 5 calendar years prior to the test year.
b. Explain the nature and purpose of the test year expense of $52,897 for Community Action Council.
c. Explain the nature and purpose of the test year expenses of $917.77 and $82.83 for DMX Music – Chicago.

d. Explain the nature and purpose of the test year expense of $1,515.50 for Initial Tropical Plants, Inc.
e. Explain the nature and purpose of the test year expense of $3,692.50 for Marketing Services by Vectra, Inc.
f. Provide the actual total Stanley Pipeline, Inc. expenses (equivalent to the test year total expense of $4,216,366) for each of the 5 calendar years prior to the test year.
g. Explain the nature and purpose of the "Fishel Co" expenses and provide the actual total Fishel Co expenses (equivalent to the test year total expense of $3,197,742) for each of the 5 calendar years prior to the test year.

79. With regard to the response to PSC -1-27, Format 27b, please provide a detailed breakout of the components making up the industry association dues of $25,741 and miscellaneous expense of $15,942.

80. With regard to the response to PSC-1-30, please provide the following information:

a. Provide the official job description for the Director of Governmental Affairs.
b. Provide a percentage breakout of the various activities, including lobbying, generally performed by the Director of Governmental Affairs.
c. Provide a worksheet showing the total annual salary and other compensation expense and all of the fringe benefit expenses (list by component) and payroll taxes included in the pro forma test year O&M expenses for Brack Marquette.
d. Explain the exact derivation of the dollar amount numbers shown in the response to PSC-1-30.

II. COST OF CAPITAL

The questions in this section refer to the testimony of Paul R. Moul:

81. With reference to page 4, lines 12-20, please list the gas companies eliminated by each of the selection screens (iv), (v), and (vi) and the reasons or empirical values which results in these companies being eliminated.

82. With reference to page 8, lines 13-22, please provide copies of all studies performed by Mr. Moul that compare the gas consumption of the different classes on the Company's customers with that of the companies in the gas group.

83. With reference to page 9, lines 4-15, please provide copies of all studies performed by Mr. Moul that compare the magnitude of the capital expenditure program for the Company with that of the companies in the gas group.

84. With reference to page 10, lines 4-18, please provide copies of all source documents used to determine that the companies in the gas group have tariff mechanisms similar to the WNA. For each company, please highlight the relevant section (s) of the source documents.

85. With reference to page 11, lines 1-23, please indicate whether it is Mr. Moul's testimony that a WNA reduces the volatility of revenues and therefore the riskiness of a gas utility. If the response is that a WNA does not reduce the volatility of revenues and therefore the riskiness of a gas utility, please provide (a) all empirical studies relied upon to support this conclusion, and (b) the Company's justification for a WNA if such a mechanism does pass along the risk of higher gas prices to customers.

86. With reference to page 12, lines 1-6, please provide copies of all studies relied upon to conclude that the stability of a Company's cash flow does not affect a company's riskiness and the cost of equity capital.

87. With reference to page 14, lines 4-11, please provide Columbia of Kentucky's CCR and LT or, if the Company is not rated, please provide the CCR and LT for the parent company.

88. With reference to page 16 and 17, please provide the individual company data used in computing the (1) coefficients of variation for the return on book equity, (2) operating ratios, (3) interest coverage ratios, and (4) internally generated funds ratio, for the Company and the gas group. Please provide the data in both hard copy and electronic formats (Microsoft Excel), with all data and formulas in tact.

89. With reference to pages 21 and 22, and Attachment PRM-3, please provide all source documents and work papers, in both hard copy and electronic formats, associated with the development of the amounts, ratios, and rates in the hypothetical structure, the long-term debt cost rate, and the short-term debt cost rate.

90. With reference to page 24, lines 13-21, and Appendix E, please provide (1) copies of all studies used to make (a) the ex-dividend date adjustment and (b) the quarterly compounding adjustment; and (2) the individual company data used in computing the dividend yield of 4.01%, including details on all adjustments. Please provide the data in both hard copy and electronic formats, with all data and formulas intact.

91. With reference to page 29, lines 1-5 and footnote 4, please provide copies of the studies, work papers, and source documents that (1) compare GDP growth of the

growth of gas companies, and (2) support the statement on earnings versus GDP growth. Please provide the data in both hard copy and electronic formats, with all data and formulas intact.

92. With reference to pages 29-34, and Attachments PRM-7, PRM-8, and PRM9, please provide the individual company data and copies of the source documents used in developing the historic and forecasted growth rate data for the gas group. Please provide the data in both hard copy and electronic formats, with all data and formulas intact.

93. With reference to pages 35-39, and Appendix E, please (1) list all regulatory cases (by name, docket number, and filing date) in which Mr. Moul has provided rate of return testimony and proposed his leverage adjustment , (2) indicate all cases (by name, docket number, and date), other than those cited, in which a regulatory commission has adopted Mr. Moul's leverage adjustment in arriving at an overall rate of return, and (3) provide copies of the 'Rate of Return' section of the Commission's decisions for all cases in which a regulatory commission has adopted the adjustment.

94. With reference to pages 39, and Appendix E, please (1) provide copies of the pages from Modigliani and Miller's original published research that support the formulation used to adjust the DCF equity cost rate; and (2) indicate exactly (by page and line numbers) where in these publications these authors prescribe this leverage adjustment for rate of return and rate making purposes.

95. With reference to Appendix E, please provide the individual company data and calculations used in developing the leverage factor. Please provide the data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact. In addition, please indicate the source of the data.

96. With reference to page 40 and Appendix E, please provide all details (dates, amounts, underwriter, SEC filings, etc.) concerning all debt and equity offerings by the Company or its parent (CEG or NiSource) in the past two years (2005-2007).

97. With reference to page 42, lines 10-19, Attachment PRM-8, and Appendices H and G, please provide (1) copies of the current Blue Chip Financial Forecasts, and (2) all data, work papers, and source documents used in computing the yield spread of 1.0%. Please provide the data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact.

98. With reference to page 48, lines 4-21, Attachment PRM-13, and Appendix I, please provide (a) documentation on the methodology used by Value Line in

calculating betas, (b) the data used to make the beta adjustments, and (3) all empirical studies that support the use of leverage-adjusted betas such as proposed by Mr. Moul. Please provide the data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact. In addition, please indicate the source of the data.

99. With reference to page 48, lines 4-21, Attachment PRM-13, and Appendix I, please (1) list all regulatory cases (by name, docket number, and filing date) in which Mr. Moul has provided rate of return testimony and proposed his CAPM-beta adjustment procedure, (2) indicate all cases (by name, docket number, and date), which a regulatory commission has adopted Mr. Moul's proposed CAPM-beta adjustment procedure in arriving at an overall rate of return, and (3) provide copies of the 'Rate of Return' section of the Commission's decisions for all cases in which a regulatory commission has adopted the adjustment.

100. With reference to page 50, lines 7-23, please (1) provide copies of the SBBI document that forms the basis for the small capitalization adjustment of 1.02%, (2) provide all data, work papers, source document, and calculations used in determining in the size adjustment of 1.02%. Please provide the data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact. In addition, please indicate the source of the data.

101. With reference to page 54 lines 1-15, Attachment PRM-12, and Appendix J, please (1) list the filters that are applied using the Value Line Investment Analyzer in applying the CE approach, and (2) identify all data items from the Value Line Investment Analyzer that are employed in the CE study.

102. With reference to Attachment PRM-6, please provide all details (issue date, debt amounts, underwriter, underwriting spread, SEC filings, etc.) associated with all actual and pro forma financings used in determining the Company's long-term debt cost rate.

103. With reference to Attachment PRM-12, please provide the methodology used to construct the S&P Composite and Utility Indexes, including the following: (1) the weights applied to the stock prices of each company in arriving at the index values, (2) how adjustments are made to the Index when companies are added to or deleted from the Index, (3) how adjustments are made to the Index in the event of stock splits and stock dividends, and (4) the number of companies in the Index each year.

104. With reference to Appendix I, page I-4, please provide: (1) the methodology employed by Value Line in estimating the "Dividend Yield" and "Median Appreciation Potential," for the companies followed by Value Line, (2) the

dividend yield and appreciation potential data for the individual companies covered by Value Line, (3) copies of the source documents and the dividend yields and projected EPS growth rates for each of the 500 companies in the S&P 500. For (2) and (3), please provide the data in both hard copy and electronic (Microsoft Excel) formats.

105. Please provide electronic (Microsoft Excel) copies of the all Attachments, PRM-1 through PRM-14. Please provide electronic copies of all pages of the Attachments, with all data and equations in tact. For Attachments which use data that is not shown, such as individual company data, please provide electronic copies of this data as well.

III. RATE DESIGN

106. Please provide, in electronic format, the bill frequency distributions alluded to on page 9 of Mr. Balmert's testimony.

107. Please provide the WPM workpapers and Schedules M and N in electronic format.

108. Please provide all workpapers and source data used to develop Attachment JMC-1 to the testimony of Judy Cooper.

109. Please provide all source documents and workpapers underlying the 75% "Behavioral Factor" in Attachment JMC-2 to the testimony of Judy Cooper.

110. Please describe how, if at all, the Company will distinguish between mains replacements that are part of the AMRP and those that are not, that is, those that would have been made without the AMRP.

111. Will the AMRP surcharge apply to all customers in each customer class regardless of the customer's consumption of gas?

112. How will the Company identify the property taxes attributable to the AMRP program?

113. In what way will the PISCC encourage customer growth, as asserted by Ms. Cooper at page 17 of her testimony?

114. Please provide electronic copies of Mr. Gibbon's class cost of service studies, with all algorithms and formulas intact.

115. Please explain more fully the following sentence on page 5 of Mr. Gibbon's testimony: "The services were valued for each rates schedule using the average unit cost based on detailed capitalized property records." Provide a listing of the unit costs for services used in Mr. Gibbon's study.

116. Please provide a listing of the unit meter costs used in Mr. Gibbon's study.

117. What is the rationale for recommending customers charges of $12.75 and $28.00 for residential and commercial customers, respectively, rather than $14 and $29 m indicated on Attachment RDG-6?

118. Please explain why some Columbia customers are billed under LG&E's gas rate tariff.

119. If the IUS class "underachieves" its rates of return, as Mr. Gibbons testifies on page 10 of his testimony, why is it receiving a rate increase of only 5.29 percent, almost half the residential rate increase?

120. Please provide a cross-reference showing where the 21 rate schedules in Attachment RDG-5 are categorized into the five rate classes in the cost of service studies.

121. Please provide a breakdown of the $10,139,594 in "Outside Services" found on line 13 on page 19 of Mr. Gibbon's cost of service study.

122. Ref: page 18, line 5 of Mr. Gibbon's cost of service studies. Why are Uncollectible Accounts allocated by customer counts, rather than directly assigned based on the customer classification of the uncollectible accounts?

123. Please provide a breakdown of the $474,858 of "Other" revenue in line 12 of page 12 of Mr. Gibbon's cost of service studies.

124. For each quarter since the first quarter of 2001, please provide the following for residential, and separately, GS commercial customers:
    a. The cost of purchased gas per mcf,
    b. The cost of delivery per mcf,
    c. Total bill per customer,
    d. The number of customers,
    e. The mcf per customer,
    f. The weather-normalized mcf per customer.

125. Please provide the electric cost information from the EIA alluded to on page 3 of Mr. Gresham's testimony.

126. Has the Company verified that its heating load varies from normal in direct proportion to the variation in HDD from normal? If so, provide the documentation for that verification.

127. Please provide any studies of the appliance penetration in the Company's customer base.

128. Please provide any studies in the Company's possession that would shed light on trends in penetration of gas as a fuel or in the gas use per customer.

129. Please provide the four most recently approved Gas Cost Adjustment (GCA) calculations. If the Company has filed an application for a GCA that has not yet been approved, please provide the application.

130. Describe how the Company identifies the demand requirement of each residential and each commercial customer for purposes of assessing the GCA.

131. Please describe the rationale for the rate blocks in the respective rate schedules. Provide any workpapers, calculations, or other documentation that support the selection of these rate blocks and the rates applicable to them.

132. Please describe the rationale for the separation of the demand and commodity portions of the GCA. Provide all workpapers, calculations and other documentation that supports the respective demand and commodity rates.

133. Please list the curtailments of gas service to interruptible customers during the peak seasons of 2004, 2005, 2006 and 2007 to date. For each curtailment, identify:
    a. The duration of the curtailment,
    b. The mcf curtailed,
    c. The proportion of interruptible customers curtailed,
    d. The extent of any failures by interruptible customers to curtail.

134. Please list the curtailments of gas service to delivery service customers during the peak seasons of 2004, 2005, 2006 and 2007 to date. For each curtailment, identify:
    a. The duration of the curtailment,
    b. The mcf curtailed,
    c. The circumstances causing the curtailment,
    d. The extent of any failures by delivery service customers to curtail,
    e. The penalties imposed for failure to provide transported gas.

135. Please provide the record of "unauthorized takes" that occurred during the last full heating season and the current season to date. Identify the penalties assessed and the penalties waived.

136. Please refer to Sheet 6 of the tariff. Why are there no base rate charges shown for SS service.

137. Please refer to Sheets 6 and 36 of the tariff, and rate schedule DS.

    a. What is the difference, if any, in how the Administrative Charge is assessed relative to how the Customer Charge is assessed?

    b. Please provide all workpapers, calculations or other documentation that support the $55.90 Administrative Charge.

    c. What is the rationale for the very steep reduction in this commodity charge per Mcf after the first 30,000 Mcf?

138. Please refer to sheets 12 and 51b of the tariff. Is the Energy Assistance Program Surcharge a charge or a credit? If a credit, why is it called a surcharge? What are the eligibility criteria? Why aren't those criteria contained in the tariff?

139. Refer to sheet 51a. What is rate schedule GPS?

140. Refer to sheet 13. Must an interruptible customer also commit to some firm service? If so, why?

141. What is the basis for the interruptible rates on sheet 14 of the tariff? Provide all workpapers, calculations or other documentation that support these rates.

142. Refer to sheet 16 of the tariff. Please identify and describe any waivers of the reentry fee that the Company may have granted during the last three years. Describe fully the reason(s) for these waivers.

143. Refer to sheet 33 of the tariff. Under what rate schedule, if any, can a marketer deliver gas to his customers if his Aggregation Pool is less than 100 customers?

144. Without identifying the name of the marketers, please list all marketers, the number of customers that each serves, and the aggregate volume of gas delivered through each marketer.

145. Refer to sheet 37f of the tariff.

a. Explain the rationale for paying the marketers 97.5% of the marketers' billings. Provide all workpapers, calculations or other documentation supporting this figure.

b. Under "Billing" Columbia charges $0.20 per account per month for billing. Then, under "Payment to Marketer" Columbia subtracts the cost of billing from the 97.5% of the marketers' billing that it pays to the marketer. Why isn't this a double-recovery of billing costs?

c. Does Columbia allow marketers to perform their own billing? If not, why not?

146. Who assumes the risk for the uncollectibles from marketers' customers, Columbia or the marketer?

147. Refer to sheet 39 of the tariff. With regard to the flex provision, please identify:

a. The number of flex rate customers,

b. The discount in the DS rate awarded to each flex rate customer,

c. The difference between the flex rate revenue and the revenue that would otherwise be collected under the DS rate schedule during the last full year,

d. The alternate fuel cost estimates used to determine the flex rates.

148. Please refer to sheet 38 of the tariff.

a. Identify the number and annual gas consumption of the GDS customers.

b. Provide the test year revenue from the GDS customers under the GDS rate and under the DS rate.

c. Provide the rationale for continuing to provide service to these customers on a discontinued rate schedule.

d. State whether Columbia is under any contractual obligation to continue to provide service to the GDS customers under the GDS rate schedule.

149. Aside from the $0.55 per month difference in the customer charge, is there any other distinction between the rates charged IUDS and DS customers?

150. Refer to sheet 41 of the tariff.

a. Please identify the number and annual consumption of MLDS customers.

b. Please describe fully all services that Columbia performs for MLDS customers.

c. Provide all workpapers, calculations or other documentation that support the proposed charges for MLDS service.

151. Refer to sheets 43 and 44 of the tariff. With regard to rate schedule AFDS, please identify:

a. The number of AFDS customers,

b. The discount in the DS rate awarded to each AFDS rate customer,

c. The difference between the AFDS rate revenue and the revenue that would otherwise be collected under the DS rate schedule during the last full year,

d. The alternate fuel cost estimates used to determine the AFDS rates.

e. The distinction(s) between the rate schedule AFDS and the flex rate provisions of rate schedule DS.

f. An explanation for why any customers would accept an AFDS rate up to 150% of the otherwise applicable rate.

152. Refer to sheet 46 of the tariff. Please identify:

a. The number of SAS customers,

b. The discount in the rate awarded to each SAS rate customer relative to the applicable alternative rate schedule,

c. The difference between the SAS rate revenue and the revenue that would otherwise be collected under the alternative rate schedules during the last full year,

d. The alternate fuel cost estimates used to determine the SAS rates.

e. The distinctions among the rate schedules SAS, AFDS and the flex rate provisions of rate schedule DS.

153. Refer to sheet 48 of the tariff and specifically the Gas Cost Incentive Adjustment (GCIA) and the Off System Sales and Capacity Release Adjustment (OSCRA).

    a. Provide a complete description of these adjustments,

    b. Identify the Commission orders that approved these adjustments,

    c. Provide the two most recent calculations of these adjustments,

    d. Provide the Commission orders, letters or other documents that approved the two most recent calculations of these adjustments.

154. Refer to Schedule M, page 1.

    a. How does the Company distinguish between commercial and industrial customers?

    b. Are there any differences in the rates charged commercial and industrial customers of the same size?

    c. What are "Trans Fallback" customers?

    d. What are the differences between:
        i. Lines 3 and10,
        ii. Lines 4, 9, 11 and 12,
        iii. Lines 5, 7, and 8,
        iv. Lines 35 through 38,
        v. Lines 41 and 42?

    e. Why does the revenue from Standby Service disappear under proposed rates?

    f. What are the tariff pages that apply to:
        i. lines 25 through 27,
        ii. lines 30, 41 and 42.
        iii. lines 5 through 8?

155. Refer to Schedule M, page 2. Please explain line 2, "Forfeited Discounts."

156. Refer to Schedule M-2.1, page 1.

a. Why is there negative revenue in line 26, Firm Commercial Standby Service?

b. Why is the average rate for Interruptible Commercial Service (line 25) over five times the rate for Commercial Firm Service (line 23)?

c. Please explain line 14, Symbolic Attonement.

157. Refer to Schedule M-2.1, page 2:

a. Line 2: why is there negative revenue in this line?

b. Please explain lines 6,7,10 and 11.

c. Please explain line 12, Rate Refund Normalization.

158. Refer to Schedule M-2.1, page 4:

a. Why are there negative numbers in column H?

b. What is "B&B" referred to in lines 34 and 35 and why are the numbers negative?

159. Refer to Schedule M-2.1, page 5: Please explain line 28, Non-traditional Sales.

160. Refer to Schedule M-2.2: Please explain column M. It refers to a column F that is not displayed. Provide the full schedule, inclusive of hidden columns, in electronic format with all calculations and algorithms in tact.

161. Refer to Schedule N: Please define "Average Monthly Bill." Is this in Mcf or in dollars?