

A NiSource Company

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

July 29, 2010

Mr. Jeff Derouen Executive Director Public Service Commission Commonwealth of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, KY 40602

RECEIVED

JUL 29 2010

PUBLIC SERVICE COMMISSION

RE: Case No. 2010-00146

Dear Mr. Derouen,

Enclosed for docketing with the Commission is an original and ten (10) copies of Columbia Gas of Kentucky, Inc., responses to the First Requests for Information on behalf of Stand Energy Corporation. Should you have any questions about this filing, please contact me at 614-460-5558. Thank you!

Sincerely,

Brook & Leslie (mc)

Brooke E. Leslie Counsel

Enclosures

cc: Hon. Richard S. Taylor



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Sincerely,

Brook & Leslie (mc)

Brooke E. Leslie Counsel

Enclosures

cc: Hon. Richard S. Taylor

Data Request No. 1-001A:

With regard to your transportation tariffs. Please answer the following.

Does it cost you more to deliver third party or supplier natural gas to a customer compared to the cost to deliver natural gas to a sales customer of the same size? If so, explain why in detail.

Response:

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-001B Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-001B:

With regard to your transportation tariffs. Please answer the following.

Discuss whether you believe daily balancing or monthly balancing should be required of transportation customers and explain why, in detail.

Response:

Data Request No. 1-001C:

With regard to your transportation tariffs. Please answer the following.

Excluding periods of OFO's and OMO's, please identify the financial harm to your firm sales customers that has occurred over the past 12 months because of daily imbalances of transportation customers?

Response:

Data Request No. 1-001D:

With regard to your transportation tariffs. Please answer the following.

During the past 12 months, please identify each day when transportation customers' deliveries provided a financial credit or system benefits to firm sales customers?

Response:

Data Request No. 1-001E:

With regard to your transportation tariffs. Please answer the following.

If you believe that larger transportation consumers should be subject to daily balancing and smaller transportation consumers subject to monthly balancing explain how you determine the amount of daily or monthly usage that requires daily or monthly balancing and explain.

Response:

Data Request No. 1-001F:

With regard to your transportation tariffs. Please answer the following.

If there are charges for imbalances or penalties for imbalances describe and explain the reasoning for the penalties and describe the allocation of the generated imbalance penalty dollars.

Response:

Data Request No. 1-001G:

With regard to your transportation tariffs. Please answer the following.

Identify any operational events that have occurred that caused you to determine that daily or monthly balancing is necessary. Provide sufficient event details to justify a decision based thereon.

Response:

Data Request No. 1-001H:

With regard to your transportation tariffs. Please answer the following.

Discuss whether or not you believe that supplier "pooling" should be allowed by Kentucky natural gas utilities to allow suppliers to pool deliveries for balancing and penalty avoidance purposes/ If not, explain in detail why not.

Response:

Data Request No. 1-001I:

With regard to your transportation tariffs. Please answer the following.

Discuss the necessity for each penalty set forth in your transportation tariffs and the reasons underlying each of the penalty amounts.

Response:

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-001J Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-001J:

With regard to your transportation tariffs. Please answer the following.

Identify and briefly explain the allocation of generated penalty dollars.

Response:

Data Request No. 1-002A:

With regard to your operations to currently approved tariffs, please respond to the following:

For the period covering the past 24 months, identify the dates and duration of all operational flow orders, operational matching orders or other flow orders imposed by you.

Response:

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-002B Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-002B:

With regard to your operations to currently approved tariffs, please respond to the following:

For all flow orders identified in (A) above, list the reason the flow order was imposed.

Response:

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-003A Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-003A:

With regard to your operations pursuant to currently approved tariffs, please respond to the following:

For the past 24 months, have you waived any requirements set forth in PSC-approved tariffs for any Supplier?

Response:

OBJECTION: Stand has not specified what type of waiver about which it is seeking information. As such, this request is overly broad, burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Data Request No. 1-003B:

With regard to your operations pursuant to currently approved tariffs, please respond to the following:

For the past 24 months, have you waived any requirement set forth in PSC-approved tariffs for any Affiliates? If yes, identify any such waiver and the Affiliate that received the waiver.

Response:

OBJECTION: Stand has not specified what type of waiver about which it is seeking information. As such, this request is overly broad, burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Data Request No. 1-003C:

With regard to your operations pursuant to currently approved tariffs, please respond to the following:

For the past 24 months, have you waived any requirement set forth in PSC-approved tariffs for any consumer? If so, identify any such waiver and the consumer that received the waiver.

Response:

OBJECTION: Stand has not specified what type of waiver about which it is seeking information. As such, this request is overly broad, burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Data Request No. 1-004A:

With respect to the total gas load served by you, please respond to the following:

Of the total load served by you, (i) Identify the quantity/extent of this load that is served by commodity that you obtain from any affiliate, (ii) Identify each affiliate from whom you obtain the commodity identified in (i) above; and, (ii) for the period covering the past 24 months, identify the quantity/extent of the commodity that you obtained from the Affiliate(s) identified in (ii) above.

Response:

Columbia understands this question to seek information about both its system supply for tariff sales customers and its transportation service customers. Columbia's unregulated marketing affiliate is EnergyUSA. EnergyUSA does not participate in Columbia's Choice program, nor has Columbia purchased any system supply gas from EnergyUSA during the past 24 months. EnergyUSA has provided commodity supply to four large volume transportation customers during that time frame.

Data Request No. 1-005A:

With regard to your relationship with an unregulated Marketing Affiliate, if any, respond to the following if they are applicable:

Identify each agreement and contract document between you and your Marketing Affiliate.

Response:

OBJECTION: This request is not relevant to the Commission's Investigation of Retail Gas Competition and not reasonably calculated to lead to admissible evidence.

Without waiving the foregoing objection, Columbia has an existing base gas purchase agreement with EnergyUSA that provides general terms and conditions that apply when and if specific arrangements to purchase gas are agreed to.

Data Request No. 1-005B:

With regard to your relationship with an unregulated Marketing Affiliate, if any, respond to the following if they are applicable:

Identify any written agreements and contracts that superseded or were successors to the agreement(s) Identified in (A) above.

Response:

OBJECTION: This request is not relevant to the Commission's Investigation of Retail Gas Competition and not reasonably calculated to lead to admissible evidence.

Without waiving the foregoing objection, there are no written agreements that supersede the agreement identified in 1-5A.

Data Request No. 1-005C:

With regard to your relationship with an unregulated Marketing Affiliate, if any, respond to the following if they are applicable:

For the years 2008, and 2009, (i) Identify the total revenues generated by your Marketing Affiliate under the agreement Identified in (A) above, (ii) Identify how the revenue Identified in (i) are allocated among the recipient(s) of that revenue, (iii) for the revenues Identified in (i), categorize and Identify the nature of the transaction that generated the revenues, such as, for example, revenues from utilized pipeline capacity transactions, revenues from commodity transactions, revenues from hedgers and options, etc.

Response:

OBJECTION: This request is not relevant to the Commission's Investigation of Retail Gas Competition and not reasonably calculated to lead to admissible evidence.

Without waiving the foregoing objection, see Columbia's response to Data Requests 1-4A and 1-5A.

Data Request No. 1-006A:

With regard to your relationship with an "Asset Manager", if any, respond to the following if they are applicable:

Identify each agreement and contract document between you and your Asset Manager.

Response:

OBJECTION: This request is irrelevant to the Commission's Investigation of Natural Gas Retail Competition Programs and is unlikely to lead to admissible evidence.

Without waiving the foregoing objection, Columbia does not have a relationship with an "Asset Manager."

Data Request No. 1-006B:

With regard to your relationship with an "Asset Manager", if any, respond to the following if they are applicable:

Identify any written agreements and contracts that superseded or were successors to the agreement(s) Identified in (A) above.

Response:

OBJECTION: This request is irrelevant to the Commission's Investigation of Natural Gas Retail Competition Programs and is unlikely to lead to admissible evidence.

Without waiving the foregoing objection, see Columbia's response to Stand Data Request 1-6A.

Data Request No. 1-006C:

With regard to your relationship with an "Asset Manager", if any, respond to the following if they are applicable:

For the years 2008, and 2009, (i) Identify both the total revenues paid to your Asset Manager and the total revenues received from your Asset manager under the agreement Identified in (A) above, (ii) Identify how the revenues Identified in (i) are allocated among the recipient(s) of that revenue, (iii) for the revenues Identified in (i), categorize and Identify the nature of the transaction that generated the revenues, such as, for example, revenues from utilized pipeline capacity transactions, revenues from commodity transactions, revenues from hedges and options, etc

Response:

OBJECTION: This request is irrelevant to the Commission's Investigation of Natural Gas Retail Competition Programs and is unlikely to lead to admissible evidence.

Without waiving the foregoing objection, see Columbia's response to Data Request 1-6A.

Data Request No. 1-007A:

Relative to your pipeline delivery requirements, please respond to the following:

During the past 2 years, with regard to the pipeline delivery requirements, have you waived or otherwise altered specific compliance with the requirements for any supplier? If so, identify and fully describe any such waiver and/or alteration, and the supplier.

Response:

OBJECTION: This request is overly broad, burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Data Request No. 1-007B:

Relative to your pipeline delivery requirements, please respond to the following:

During the past 2 years, and with regard to the pipeline delivery requirements, have you waived or otherwise altered specific compliance with the requirements for any consumer or customer? If so, identify and fully describe any such waiver and/or alteration, and the consumer/customer.

Response:

OBJECTION: This request is overly broad, burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Data Request No. 1-007C:

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Relative to your pipeline delivery requirements, please respond to the following:

During the past 2 years, and with regard to the pipeline delivery requirements, have you waived or otherwise altered specific compliance with the requirements for your Gas Marketing Affiliate, if any? If so, identify and fully describe any such waiver and/or alteration, and the Affiliate.

Response:

OBJECTION: This request is overly broad, burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-008A Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-008A:

Please respond to the following:

Identify any item or document that you intend to or desire to use, refer to, rely on, sponsor, and/or introduce as evidence in the hearing of this matter (s).

Response: At this time, Columbia intends to use its testimony and the items or documents as mentioned in the testimony or in responses to data requests herein as evidence in the hearing in this matter.

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-009A Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-009A:

Please answer the following questions:

What percentage of your system gas supplies are produced in Kentucky?

Response:

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-009B Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-009B:

Please answer the following questions:

What percentage of your system gas supplies are produced in the Appalachian area?

Response:

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-009C Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-009C:

Please answer the following questions:

What percentage of your system gas supplies are transported on the Columbia Gulf system?

Response:

PSC Case No. 2010-00146 Stand Energy Data Set 1 DR No. 1-009D Respondent: Brooke E. Leslie

COLUMBIA GAS OF KENTUCKY, INC. RESPONSE TO FIRST INFORMATION REQUEST OF STAND ENERGY DATED JULY 15, 2010

Data Request No. 1-009D:

Please answer the following questions:

Please provide any studies that were done to establish a threshold of 25,000 Mcf/yr or greater to qualify for Delivery Service.

Response:

Data Request No. 1-009E:

Please answer the following questions:

Please explain why Columbia Gas of Kentucky has a much higher threshold for transportation service than their sister Columbia distribution companies in Ohio, Pennsylvania, Maryland and Virginia.

Response:

Data Request No. 1-009F:

Please answer the following questions:

In your Small Volume Transportation Service (SVGTS) program, a supplier supplying gas to facilities in Frankfort Kentucky must deliver their supplies to the Portsmouth, Ohio receipt point (PSP 17-15). This receipt point, in addition to requiring "backhaul" to the Columbia of Kentucky service territory, has a BTU factor of approximately 1.131. Deliveries under the Delivery Service rate schedule for larger facilities in Frankfort must be delivered to PSP 18-10 which has an approximate BTU factor of 1.02. The result is that the SVGTS customer must pay an additional 10-11% more for gas each month. Please explain the reason for this policy

Response:

Columbia's Small Volume Transportation Service, Rate Schedule SVGTS, does not contain any of the requirements that you question. A copy of Rate Schedule SVGTS is attached for reference.

Third Revised Sheet No. 30 Superseding Second Sheet No. 30

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

SMALL VOLUME GAS TRANSPORTATION SERVICE (SVGTS) RATE SCHEDULE

APPLICABILITY

Entire service territory of Columbia Gas of Kentucky through March 31, 2011. 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 Marketer's Aggregation Pool as the term is defined herein, and
 - (a) The Aggregation Pool 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 Aggregation Pool 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.

DATE OF ISSUE: November 21, 2008

DATE EFFECTIVE: November 7, 2008

ISSUED BY: Herbert A Miller, Jr. President

Issued by authority of an Order of the Public Service Commission in Case No. 2008-00195 dated November 7, 2008

Fifth Revised Sheet No. 31 Superseding Fourth Revised Sheet No. 31 P.S.C. Ky. No. 5

COLUMBIA GAS OF KENTUCKY, INC.

SMALL VOLUME GAS TRANSPORTATION SERVICE (SVGTS) RATE SCHEDULE (Continued)

CHARACTER OF SERVICE

Service provided under this schedule shall be considered firm service.

DELIVERY CHARGE

The Delivery Charge shall be the Base Rate Charges for the applicable Rate Schedule as set forth below:

General Service Residential

Customer Charge per billing period	\$ 12.35
Delivery Charge	\$1.8715 per Mcf

General Service Other - Commercial or Industrial

Customer Charge per billing period	\$25.13
First 50 Mcf or less per billing period	\$1.8715 per Mcf
Next 350 Mcf per billing period	\$1.8153 per Mcf
Next 600 Mcf per billing period	\$1.7296 per Mcf
Over 1,000 Mcf per billing period	\$1.5802 per Mcf

Intrastate Utility Service

Customer Charge per billing period\$331.50Delivery Charge per Mcf\$0.7750

ADJUSTMENTS AND RIDERS

Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:

Weather Normalization Adjustment – Sheet 51a Energy Assistance Program Surcharge – Sheet No. 51b (Applies to Residential Customers only) Rider for Natural Gas Research & Development – Sheet No. 51c Energy Efficiency Conservation Clause – Sheets 51d – 51g (Applies to Residential and Commercial Customers only) Rider AMRP – Sheet No. 58

DATE OF ISSUE: November 6, 2009

DATE EFFECTIVE: October 27, 2009

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00141 dated October 26, 2009

ISSUED BY: Herbert A. Miller, Jr.

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

SMALL VOLUME GAS TRANSPORTATION SERVICE (SVGTS) RATE SCHEDULE (Continued)

ACTUAL GAS COST_ADJUSTMENT

Volumes delivered to all customers under this rate schedule are subject to the sum of the Refund Adjustment, SAS Refund Adjustment, Actual Cost Adjustment, Balancing Adjustment and Gas Cost Incentive Adjustment set forth on Sheet 48. A customer who is or has been receiving service under this tariff shall be responsible for this adjustment only for those months of the prior twelve months during which they were served under a sales service tariff.

LOCAL FRANCHISE FEE OR TAX

To the extent applicable, the above rates and charges are subject to Local Franchise Fee or Tax as set forth on Sheet No. 52.

LATE PAYMENT PENALTY

Late payment penalties shall apply to service under this rate schedule as provided in the General Terms, Conditions, Rules and Regulations, Section 25.

OTHER PROVISIONS

Where a Customer has installed a gas light(s) for continuous street or outdoor lighting in lighting devices approved by Company and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be two thousand (2,000) cubic feet per month when the Btu/hour input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hour input or fraction thereof, the assumed consumption shall be increased by one thousand (1,000) cubic feet per month. Such assumed consumption shall be billed under the agreement Customer has with Marketer for metered consumption and shall be added to the Customer's metered usage and the total billed according to the rates contained herein.

RIGHT OF REFUSAL

Should Columbia be prohibited from assigning capacity, as specified in its Small Volume Aggregation Service Rate Schedule, for any reason whatsoever, including but not limited to directives from the Commission or any court having jurisdiction over said matters, Columbia shall have the right to refuse to accept new small volume transportation customers under this rate schedule.

GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS

Service furnished under this Rate Schedule is subject to Columbia's General Terms, Conditions, Rules and Regulations applicable to all Rate Schedules.

DATE OF ISSUE: April 12, 2005

DATE EFFECTIVE: April 1, 2005

ISSUED BY: Joseph W. Kelly

President

Issued by authority of an Order of the Public Service Commission in Case No. 2004-00462 dated March 29, 2005

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing responses to Stand Energy Corporation's First Requests for Information of Columbia Gas of Kentucky, Inc., was served upon all parties of record by regular U. S. mail this 29th day of July, 2010.

Broke E. Realie (gmc)

Brooke E. Leslie Attorney for COLUMBIA GAS OF KENTUCKY INC.

SERVICE LIST

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