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Columbia Gas
of Kentucky
A NiSource Company

August 18, 2008

Stephanie Stumbo
Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615

RE: August 8, 2008 Memorandum, Case No. 2008-00195

Dear Ms. Stumbo:

Enclosed please find Columbia Gas of Kentucky, Inc.'s responses to the August 8, 2008 memorandum filed in Case No. 2008-00195. Should you have any questions, please give me a call at (614) 460-4680.

Sincerely,

Daniel Creekmur (gmc)

Daniel A. Creekmur
Attorney

Attachment

cc: Parties of Record

Columbia Gas of Kentucky, Inc.
Responses to August 8, 2008 Memorandum
Case No. 2008-00195

1. Provide the number of customers currently participating in Columbia's Customer Choice Program

Response: 29,132 at the beginning of August 2008 billing.

2. Has the program been functioning satisfactorily for all parties in the time since it was approved in Case No. 2004-00462?

Response: Yes.

3. Describe any problems that Columbia has experienced with the program since its approval.

Response: Columbia has not experienced any significant problems since the programs' most recent approval.

4. Were any customer complaints regarding the program lodged in 2006, 2007 or 2008 with Columbia? If yes, provide the number and nature of the complaints.

Response: Yes, Columbia has received informal complaints. The number and nature of the complaints follows.

2006

- Dislikes Marketers Sales Approach (1)
 - Customer requested a written apology for a letter they received in error from the Marketer.
- Unauthorized Enrollment (14)
 - Customers state they were enrolled without their authorization and did not sign a contract.
 - Customers contacted Marketers to cancel/stop enrollment but were enrolled anyway.
- Rate Question (6)
 - Customer did not receive notification of a rate change. Requested that Marketer ensure that notification is sent to customers.
 - Customers were disputing the Marketer rates being charged. They indicated a different rate was either quoted to them or they had a contract with a different rate.
- No Response (1)
 - Marketer did not respond to customer's request to cancel their enrollment. Customer stated they had made several attempts to cancel.
- Unsatisfactory Resolution (9)
 - Customer contacted Marketer concerning rate they were supposed to have locked in but didn't. Customer was enrolled on variable rate. Marketer advised customer to contact Columbia. Customer wanted rate locked in or they would cancel.

- Customer mailed enrollment to Marketer, then called to cancel and found they were already enrolled. Customer wanted to be removed from Marketer's rate and a credit applied to their account.
- Customers contacted Marketers to cancel enrollment. They were advised a cancellation would be sent but were still enrolled.
- Customer contacted Marketer concerning rate change that was done prior to expiration of their contract. They wanted reimbursement for the difference between the two rates.
- Other Concerns (5)
 - Customer contacted Marketer to cancel but was never cancelled. They contacted Marketer several times and were finally advised cancellation had been submitted to Columbia. Customer wants an adjustment done on their account and return call.
 - Customer called to cancel enrollment and was advised by Marketer it could take up to two billing cycles to become effective. Customer thought this was very unfair and felt the process should be faster.
 - Customer wanted to be removed from Choice program. Stated they had contacted the Marketer several times but had not been removed. They were aware a possible penalty could be applied by the Marketer.
 - Customer contacted Marketer to cancel but was advised that neither his nor his spouse's names were on the account and would not give him any information.
 - Customer contacted Columbia to rescind enrollment but rescission did not get processed. Customer wanted account removed from Choice and adjusted back to Columbia's rate.

2007

- Rate Question (3)
 - Customer's rate was changed to a higher rate. They were suppose to have a guaranteed rate of \$0.50 per Mcf lower than Columbia's. Customer wanted lower rate or they would cancel Choice.
 - Customer had requested their account and their father's account to be cancelled with Marketer at the same time. The customer's account was cancelled but the parent's account did not get removed for another couple of months. Marketer advised customer their contract expired in April but parent's did not expire until July.
- Unsatisfactory Resolution (4)
 - Customer called Marketer to cancel contract. Customer stated they never agreed to a contract and had no idea they were with a Marketer. They were advised someone would call them back but were never contacted.
 - Customer contacted Marketer several times to cancel. Customer asked to speak with supervisor and was told response would be the same and was not transferred.
- Unauthorized Enrollment (1)
 - Customer states she had a 1 year contract and it was renewed without her approval.
- No Response (1)
 - Customer wanted to cancel enrollment with Marketer. Customer was advised to contact Marketer but they stated they could not reach them.
- Other Concern (1)

- Customer tried to contact the Marketer to cancel but the wait was to long. Customer states he doesn't have a contract with the Marketer but they refused to cancel without assessing a fee.

2008

- Dislikes Marketers Sales Approach (1)
 - Customer states Marketer misrepresented themselves as Columbia Gas. The customer did not want to change to the Marketer
- Unauthorized Enrollment PSC (1)
 - Customer states Marketer enrolled her by fraudulently enrolling her by using her account number.

5. What marketers, other than IGS, are presently participating in the program?

Response: MxEnergy, Inc.

6. Has Columbia had any interest expressed by other marketers to join the program in 2006, 2007 or 2008?

Response: Yes. Marketers have requested information regarding the program and Columbia has provided information pursuant to these requests. To date none of those Marketers have taken the necessary steps to join the program.

7. Is Columbia actively soliciting participation by other marketers? If yes, describe the nature of the solicitation.

Response: No.

8. Is Columbia still actively advertising the program and providing customer education on the program?

Response: The Choice program is advertised in Columbia's bill inserts. Most recently, Columbia has relied largely on the web site for providing customer education about the website. Information is also available by contacting our customer service center.

9. Did either IGS or Columbia communicate with the Attorney General about the proposal to extend the program prior to Columbia's filing with the Commission?

Response: On October 29, 2007, Columbia filed with the Commission in Case No. 2007-0008 a statement indicating that it would seek the Commission's approval to continue the CHOICE program under the current terms and conditions and pursuant to the current arrangements with marketers for an additional two year period to end on March 31, 2011. This letter was served upon all parties of record, including the Attorney General.

cc: Parties of Record

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