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TO: Jennifer

Fax #: 502-564-3460

COMPANY: Kentucky Public Service Commission

FROM: Hon. Mathew R. Malone

DATE: July 1, 2009

RE: Interstate Gas Supply

Number of pages including this cover page:

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Please see the attached.

Should you have any questions, please do not hesitate to call.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
ADJUSTMENT OF RATES OF COLUMBIA)
GAS OF KENTUCKY, INC.)
_____)

CASE NO. 2009-00141

IGS'S REQUESTS TO COLUMBIA GAS OF KENTUCKY, INC.
FOR INFORMATION

Movant for Intervention & Reconsider of Same, Interstate Gas Supply, Inc. ("IGS") requests that Columbia Gas of Kentucky, Inc. file with the Commission the following information, with a copy to all parties of record, within the time specified in the Commission's Order. For each response to request for information,

(1) Please identify the individual responsible for answering each request;

(2) These requests shall be deemed continuing so as to require further and supplemental responses if Columbia Gas of Kentucky receives or generates additional information within the scope of these requests between the time of the response and the time of the hearing;

(3) A request to identify a document means to state the date or dates, author or originator, the subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number or code number thereof or other means of identifying it, and its present location and custodian;

(4) To the extent that the specific document, study or information requested does not exist, but a similar document, study or information does exist, please provide the similar document, study or information;

(5) 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;

(6) If Columbia Gas of Kentucky objects to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify IGS's Attorney of Record as soon as possible;

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

(8) 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; 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; and

(9) Where the information requested is the same as has been provided to another party in response to a request for information, it is sufficient to identify that response rather than duplicating the information requested.

Request For Information 1

Pursuant to p. 4 of Erich Evan's testimony, Columbia references customer inquiries regarding fixed price commodity services, please detail the name, address and date of each individual that has made such an inquiry.

(a) How does Colombia respond to these customer questions? Does the response include providing the customer with details regarding the choice program, if so what details?

(b) Provide all information that Columbia provides to customers in response to such inquiries.

Request For Information 2

Pursuant to p. 4 of Erich Evan's testimony, Columbia references "shielding" GCA from price risk associated with customers electing PPS and NSS.

(a) How is Columbia going to ensure that the GCA is being insulated from any losses?

(b) How is Columbia going to insulate the GCA from all the associated costs (wages, systems, accounting, contracting, collection) etc?

Request For Information 3

Pursuant to p. 5 of Erich Evan's testimony, Columbia indicates it will not purchase specific streams of gas supply for PPS and NSS. As such, how is Columbia going to determine which purchases are for which program?

Request For Information 4

Pursuant to p. 5 of Erich Evan's testimony, Columbia references pricing management pursuant to natural gas future contracts.

(a) How will Columbia recover the cost associated with its hedges, including final settlement of the hedge positions each month?

(b) Without a physical offset for each hedge, is Columbia speculating on the futures market?

Request For Information 5

Pursuant to p. 5 of Erich Evan's testimony, Columbia references pricing management pursuant to natural gas future contracts.

(a) How will Columbia recover the cost associated with its hedges, including final settlement of the hedge positions each month?

(b) Without a physical offset for each hedge, is Columbia speculating on the futures market?

Request For Information 6

Pursuant to p. 5 of Erich Evan's testimony, Columbia references crediting costs from the PPS and NSS back to the GCA to insulate the GCA. How does streaming costs back to the GCA for PPS and NSS programs insulate the GCA?

Request For Information 7

Pursuant to p. 6 of Erich Evan's testimony, Columbia references "Commodity and Demand Credits to the GCA" as a major design element of PPS and NSS.

(a) If a sales customer locks in a price with Columbia, regardless of whether it is a fixed or variable price, is the price and service firm (meaning that the price will not change regardless of whether there is a critical day called)?

(b) Likewise, are any of the demand charges going to be included in the price of the commodity?

(c) If not, how will Columbia ensure that the PPS NSS program does not interfere with the competitive market where the demand charges have to be included in the commodity costs to be recovered by the supplier?

(d) Lastly, with regard to the bad debt for the commodity program will Columbia include it in the current recovery mechanism?

Request For Information 8

Pursuant to p. 6 of Erich Evan's testimony, Columbia references that, "the customer will not see any reconciliation because Columbia takes all of the price risk".

(a) However, if there is no streaming of natural gas to a specific group or customer, how is the physical gain/loss tracked and reconciled?

(b) If a customer leaves before the end of the contract and the cancellation fee is capped at \$60, who takes the risk on the loss on contract?

(c) Does Columbia keep the \$60 cancellation fee?

(d) Is the cancellation fee not paid ultimately made part of the bad debt charge, and if so is it in the base rates of all customers, sales, other?

Request For Information 9

How the PPS NSS program any different than the competitive market? Is Columbia intending to make a profit on this program?

Request For Information 10

Pursuant to p. 7 of Erich Evan's testimony, Columbia references that it intends to seek confidential treatment for the PPS fixed prices.

(a) Why does Columbia seek confidential treatment for this program? How often will Columbia file fixed price offers?

- (b) What about the NYMEX based variable prices, will those be filed as well?

Request For Information 11

Pursuant to p. 7 of Erich Evan's testimony, Columbia references that it intends to market the PPS NSS program on its website and use the call center as well.

- (a) Is this the same website that has information about the other competitive suppliers?
- (b) Will Choice products be provided equal treatment on the Columbia website, and if not, how will the costs be differentiated?
- (c) Will the call center representatives that will be taking calls for PPS and NSS products also be taking calls from customers about Choice products and marketers?
- (d) Will the call center be selling PPS NSS products to customers that call, and if so will they also be providing equal information about competitive offers?
- (e) Will the costs of the call center representatives be differentiated, and if so how will the costs be recovered?
- (f) How long will enrollment in the product take and how does it compare to the enrollment timing for choice and GTS?
- (g) When Columbia advertises for PPS, will it also advertise for Choice?

Request For Information 12

Pursuant to p. 8 of Erich Evan's testimony, Columbia references several different methodologies (e.g. direct mail and the call center) to enroll in the PPS NSS program.

- (a) Will all of these options be made available to choice?
- (b) How will Colombia track the costs associated with these offering methodologies, and recover the costs?

Request For Information 13

Pursuant to p. 8 of Erich Evan's testimony, Columbia referenced choosing to "utilize the common pool of supply for providing service to PPS and NSS." How does this insulate GCA customers from the costs of the program?

Request For Information 14

Pursuant to p. 12 of Erich Evan's testimony, Columbia referenced, "[t]he customer may pay ... the demand rate specified under Columbia's Standby Service Rate Schedule." Are these the same rates that transport customers will pay if they transport with a supplier?

Request For Information 15

Natural Gas Marketers pay several fees for the right to transport in the Choice Program.

(a) Will the PPS customers pay the same fees, such as the 5 cent throughput fee?

(b) Likewise, the current discount to the receivable is 2% for Choice Marketers, how will this be taken into consideration?

Request For Information 16

With regard to "Program Administration" of PPS and NSS, please explain how Columbia will differentiate and "charge those costs to the specific services causing the cost incurrence" (p. 14 of Erich Evan's testimony)? Also, please provide a cost model articulating that all of these costs will be added to the commodity price.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies have been tendered this day for filing by hand delivery to the Commission and have been served by first-class mail upon all parties of record and applicants for intervention this 1st day of July, 2009.

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