

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC. FOR AN ORDER APPROVING)	
ACCOUNTING PRACTICES TO ESTABLISH A)	CASE NO.
REGULATORY ASSET RELATED TO PENSION AND)	2009-00168
OTHER POST-RETIRMENENT BENEFIT EXPENSES)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO COLUMBIA GAS OF KENTUCKY, INC.

Columbia Gas of Kentucky, Inc. ("Columbia"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than June 10, 2009. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Columbia shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Columbia fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the table in paragraph (j) on page 3 of Columbia's application.
 - a. Provide a detailed description of how the estimated 2009 pension and other post-retirement benefits ("OPEB") expense amount was derived. Along with the requested description, this response should:
 - i. Identify whether the estimated expense amount includes any actual expenses recorded for the early months of 2009;
 - ii. Distinguish between pension expense and OPEB expense and explain why the year-to-year variances are so much greater for pension expense than for OPEB expense.
 - b. The OPEB amortization of transition obligation is an annual amount of \$281,698. For how many more years will Columbia be recording this amortization expense on its books of account?

c. For 2009 and the three prior calendar years, provide a breakdown of the pension and OPEB expenses shown in the table into the categories listed at the end of paragraph (i) on page 3 of the application.

2. Refer to paragraph (k) on page 4 of the application, which states that the market values of Columbia's pension and OPEB plan assets are subject to changes due to fluctuations in long-term interest rates and trust asset returns in capital markets. Provide a table/chart, along with a narrative description depicting how the fluctuations in long-term interest rates for the years 2006, 2007, 2008 and 2009 affected the level of pension and OPEB expenses shown in the table in paragraph (j).

3. Verify, as may be inferred from the last sentence in paragraph (k), that the differences in the respective returns for pension plan assets and OPEB assets for 2008 reflect that there are two asset groups involved, one for pensions and one for OPEB.

4. Refer to paragraph (l) on page 4 of the application. Explain whether only the NiSource Master Retirement Trust ("NiSource Trust") or the Columbia Energy Group Pension Plan ("CEG Plan"), or both, are relevant to Columbia's pension and OPEB expenses.

5. Refer to the table in paragraph (m) on page 5 of the application. The 2008 expenses for the NiSource Trust and the CEG Plan are both negative amounts while the "2008 Asset Experience" amounts appear to be the primary drivers resulting in the 2009 expenses being positive amounts of a magnitude equal to roughly four to five times the 2008 expenses. Describe, in general terms, what is meant by "2008 Asset Experience" and how that relates to the change in expense levels from 2008 to 2009.

6. Refer to the table in paragraph (n) on page 5 of the application.

a. Provide the full names of the indices identified as "MSCI-EAFE" and "MSCI-Emerging Markets."

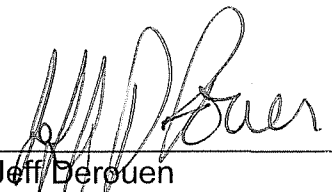
b. The first five asset classes listed in the table reflect levels ranging from -30.38 to -53.2 percent as their "2008 performance." Provide the annual performance percentages for the same five asset classes for each of the years from 2005 through 2007.

c. Explain why the CEG Plan is not included in this table along with the NiSource Trust.

7. Columbia's estimated 2009 Pension and OPEB expense is \$1,772,186.

a. If Columbia has already recorded any of its 2009 Pension and OPEB expense on its books of account, provide the amounts so recorded and the accounts in which the amounts were recorded.

b. If its request in this matter is granted, provide the resulting accounting entries Columbia intends to make on its books of account.



Jeff Derouen
Executive Director
Public Service Commission
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DATED MAY 28 2009

cc: All parties

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