

September 7, 2010

Columbia Gas[®]
of Kentucky
A NiSource Company

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

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

RECEIVED

SEP 07 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 Second Request for Information on behalf of Association of Community Ministries. Should you have any questions about this filing, please contact me at 614-460-5558. Thank you!

Sincerely,

Brooke E. Leslie (gmc)

Brooke E. Leslie
Counsel

Enclosures

cc: Hon. Richard S. Taylor

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing responses to Association of Community Ministries Second Request for Information of Columbia Gas of Kentucky, Inc., was served upon all parties of record by regular U. S. mail this 7th day of September, 2010.

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**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO SECOND INFORMATION REQUEST OF ACM
DATED AUGUST 20, 2010**

Data Request No. 2-001:

Please refer to Columbia's response to Request No. 1 of ACM's First Requests for Information, wherein Judy Cooper states that "[t]he goals of the program were revised in 2004 coincident with changes to the program design" and that a revised goal was to "provide for reduced gas prices and/or more stable prices...."

- (a) Please describe the particular "changes to the program design" related to the decision to make this particular change in the program goals.
- (b) For each change to program design described in response to (a), above, please explain the basis for Columbia's decision to make such change.

Response:

There were no specific changes to the program design related to inclusion of the idea of more stable prices in the program goals. It was simply a recognition that fixed price offers by marketers could provide customers more stable prices because some marketer offers would establish a set price per Mcf for periods ranging from 6 to 36 months and Columbia's price changes every three months.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO SECOND INFORMATION REQUEST OF ACM
DATED AUGUST 20, 2010**

Data Request No. 2-002:

Please continue to refer to Columbia's response to Request No. 1 of ACM's First Request for Information. Would Columbia agree that the goal to "provide an opportunity for reduced gas prices and/or more stable gas prices...." would be met in the case of a low-income residential CHOICE customer whose gas prices were higher but more stable than they would have been had that customer continued to purchase gas from Columbia?

Response:

As stated in Columbia's response to Request No. 1 of ACM's First Request for Information, the goals of the Customer CHOICE program are universal and not specific to any particular segment of eligible customers.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO SECOND INFORMATION REQUEST OF ACM
DATED AUGUST 20, 2010**

Data Request No. 2-003:

Please refer to Columbia's response to request 5 of ACM's First Requests for Information, wherein, by reference to its response to "AARP Data Set 1 DR No. 001(b)," Columbia provided the figure for the cumulative cost incurred by the customers who have chosen competitive supplies over what they would have paid had they remained with Columbia as their gas supplier. Please provide the following information sought in request No 5 of ACM's First Requests for Information:

- (a) The amount that residential CHOICE customers in the aggregate have paid for natural gas over the life of the CHOICE program; and
- (b) The amount that residential CHOICE customers in the aggregate would have paid over the life of the CHOICE program has they purchased their gas from Columbia.

Response:

- (a) \$407,222,014
- (b) \$389,905,133

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO SECOND INFORMATION REQUEST OF ACM
DATED AUGUST 20, 2010**

Data Request No. 2-004:

Please refer to Columbia's response to Request No. 6 of ACM's First Requests for Information.

- (a) To what does Columbia attribute the decline in CHOICE participation by residential customers shown thereon?
- (b) Please explain the basis, including but no limited to any data or other empirical evidence of the conclusions discussed in response to (a), above.

Response:

First, I need to make a correction to the Total Residential Customers shown in Response ACM's First Request No. 6 for year 2001. The correct number should be 127,387. The number of residential choice participants was correct, but the % residential choice participants in 2001 should be 35.9%.

While Columbia's total number of residential customers has declined year over year, the percentage of customers participating in the Customer Choice program has shown a different pattern, even increasing in 2009. Columbia attributes the fluctuations in participation to customer reaction to marketer offers and the operation of the market.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO SECOND INFORMATION REQUEST OF ACM
DATED AUGUST 20, 2010**

Data Request No. 2-005:

Please refer to Columbia's response to Request No. 9 of ACM's First Requests for Information.

- (a) Please explain why Columbia does not have the requested statistics concerning billing inquiries to Columbia's Customer Contact Center for years prior to 2004.
- (b) Please provide any statistics Columbia does have indicating the volume of billing inquiries by residential customers received for each year of the period 1999 through 2001.
- (c) Please state Columbia's residential customer base for each of the years 1999 and 2000.

Response:

(a) and (b) Contact statistics prior to 2004 exceeds the retention schedule for Columbia's contact statistics pursuant to the Records Management Program.

(c) As of December 31, 1999 127,038. As of December 31, 2000 128,285.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO SECOND INFORMATION REQUEST OF ACM
DATED AUGUST 20, 2010**

Data Request No. 2-006:

Please refer to Columbia's response to Request No. 2 of the First Information Request of Commission Staff, wherein it is stated that transition and stranded costs identified in the early years of the Choice program included consumer education costs and totaled approximately \$32,708,000. How much of this total represents expenditures for consumer education?

Response:

Please see response to PSC 2- 2.