COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF KENTUCKY, INC. TO IMPLEMENT A SMALL VOLUME GAS TRANSPORTATION SERVICE, TO CONTINUE ITS GAS COST INCENTIVE MECHANISMS, AND TO CONTINUE ITS CUSTOMER ASSISTANCE PROGRAM	)	CASE NO. 99-165

O R D E R

IT IS ORDERED that Columbia Gas of Kentucky, Inc. (Columbia) shall file the original and 10 copies of the following information with the Commission, as agreed at the hearing held in the Commission offices on October 12, 1999. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a response requires multiple pages, each page should be indexed appropriately, for example, Item 1(a), page 2 of 4. With each response, include the name of the witness who will be responsible for responding to questions related thereto. Careful attention should be given to copied material to ensure that it is legible. The response to this request is due no less than 14 days from the date of this Order.

1. Were the rate increases from Case No. 94-179 the primary reasons for the increases in Columbia s earnings for the years 1995, 1996, and 1997?

2. What were Columbia s earnings for the 12 months ended April 1999? Was it 13.8 percent?

3. Why have earnings declined since December 1998?

4. What were Columbia s earnings for the most recent period reported?

5. Provide results of customer satisfaction surveys for the last five years, along with a copy of the surveys.

6. Provide public utility commission decisions in other jurisdictions in which Columbia affiliates have customer choice programs that address recovery of stranded costs. Were the companies allowed to recover 100 percent of stranded costs?

7. Provide the identities of the nine marketers that have shown an interest in providing service to small volume customers in Kentucky.

8. Provide a copy of the license agreement with Columbia of Ohio for use of the registered service mark, Customer Choice.

9. When it becomes available, provide the opinion from the Kentucky Revenue Cabinet regarding the ability to collect and remit gross receipts and sales taxes from small volume transportation program customers.

10. Explain if lost stand-by sales revenues are going to be stranded by backing them out of gas cost, or if they are going to be included as revenue opportunities and charged to sales customers through the Gas Cost Adjustment mechanism.

11. The Testimony of Scott Phelps, page 5, says that to calculate GCR demand stranded cost, small volume transportation program volumes from line 1 are multiplied by the value in line 3A. Proposed page 58 of Columbia s tariff says stranded GCR demand cost will be determined by multiplying the expected demand cost component of Columbia s GCA times the volumes delivered under Rate Schedule SVGTS.

a. Is there a conflict here?

b. Isn t Columbia s proposal for the demand component of the Expected Gas Cost to be calculated using the methodology in line 3?

c. If the tariff is correct, does stranded GCR demand cost reflect demand without choice instead of demand with choice?

d. Is this Columbia s intention? Explain.

Done at Frankfort, Kentucky, this 29th day of October, 1999.

By the Commission

ATTEST:

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Executive Director