

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MODIFICATION TO WESTERN KENTUCKY)
GAS COMPANY, A DIVISION OF ATMOS)
ENERGY CORPORATION, GAS COST)
ADJUSTMENT TO INCORPORATE AN) CASE NO. 2001-317
EXPERIMENTAL PERFORMANCE-BASED)
RATEMAKING MECHANISM (PBR))

FIRST DATA REQUEST OF COMMISSION STAFF
TO THE OFFICE OF THE ATTORNEY GENERAL

The Office of the Attorney General (AG), pursuant to Administrative Regulation 807 KAR 5:001, is requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before January 25, 2002. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. Refer to page 19 of the Direct Testimony of Richard A. Galligan. Mr. Galligan states that the company can delay some of its gas purchases until later in the month when the market price of gas is more certain.

a. Provide an estimate of the percentage of the volumes that Western could delay purchasing in this manner.

b. Provide an example of how Western could adjust flowing supplies through changes in storage withdrawals.

2. Refer to page 20 of the Direct Testimony of Richard A. Galligan. Mr. Galligan provides a chart illustrating Index Prices on the 22nd and the 30th.

a. Explain whether the indices are representative of prices on the 22nd and the 30th or are representative of prices from prior days or weeks that are published on the 22nd and the 30th.

b. Provide an example for a period when market prices increased at the end of the month.

3. Describe the relationship between the index price at the end of the month and the actual market price at the end of the month.

4. Refer to page 22 of the Direct Testimony of Richard A. Galligan. Provide a copy of the Northern Indiana Public Service Company order.

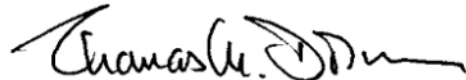
5. Refer to page 24 of the Direct Testimony of Richard A. Galligan. Provide the average discount on FERC tariffs and all information relied upon to arrive at this average.

6. Refer to pages 17-18 of the Direct Testimony of Richard A. Galligan. Mr. Galligan discusses the use of the GAIF benchmark with and without Western's use of a third party to manage its gas supply.

a. Explain in detail how the bids received in response to Western's solicitation for procurement services would correct for any deficiencies in the GAIF benchmark.

b. Explain Mr. Galligan's position on using a third party to procure gas supplies if the Commission extends Western's PBR.

c. If Mr. Galligan agrees that a third party contract is appropriate, explain his position on tying the contract to the indices included in the PBR.



Thomas M. Dorman
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DATED January 11, 2002

cc: All Parties