

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE FILING BY COLUMBIA GAS OF)	
KENTUCKY, INC. TO REQUIRE THAT)	
MARKETERS IN THE SMALL VOLUME GAS)	
TRANSPORTATION PROGRAM BE)	CASE NO. 2002-00117
REQUIRED TO ACCEPT A MANDATORY)	
ASSIGNMENT OF CAPACITY)	

INITIAL DATA REQUEST OF COMMISSION STAFF
TO INTERSTATE GAS SUPPLY, INC.

Interstate Gas Supply, Inc. (IGS), pursuant to Administrative Regulation 807 KAR 5:001, is requested to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due August 30, 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. All questions relate to IGS s Protest and Comments filed with the Commission July 29, 2002.

1. Refer to pages 1-2. IGS states that the Choice Program is benefiting, and providing savings to, consumers. Provide a comparison of IGS s gas price to that of Columbia Gas of Kentucky (Columbia) for each month that IGS has supplied gas to Columbia s customers.

2. Refer to page 2. IGS states that it is a participant in Columbia of Ohio s (COH) and Columbia of Pennsylvania s (CPA) Choice Programs.

a. For each of these programs, provide the annual savings of IGS customers and the average number of customers served for each of the past 3 years.

b. IGS states that it has provided its Kentucky Choice customers an estimated \$2.5 million in savings in the first year of the Choice Program. Provide the savings from the beginning of the program through June 30, 2002.

c. What amount of savings for the first year was a result of IGS's original offering of a 10 percent discount from Columbia's gas cost?

d. Did IGS continue to offer the 10 percent discount to new customers after the first year of the program?

e. If yes, did IGS include the 10 percent discount offer in the Choice Program materials it distributed to Columbia customers?

f. Provide copies of all Choice Program materials that IGS distributed to Columbia customers dated to show when they were distributed.

3. Refer to page 4. IGS states that, CKY has not alleged that IGS (or any other marketer) failed its Choice Program delivery obligations in any way.

a. Is IGS aware that two marketers failed to deliver the required supplies in December 2000?¹

b. IGS states that it relies heavily on gas locally produced in Kentucky to meet its supply obligations. Provide the percentage of IGS's supply for Kentucky customers that comes from local Kentucky producers.

c. Provide the number of times that a local supplier has failed to deliver gas supplies to IGS intended for its Columbia Choice Program customers.

¹ Columbia Gas of Kentucky, Inc. Customer Choice Program Annual Report, June 1, 2001.

d. Describe IGS's review process for ensuring that local producers can provide a reliable source of supply.

e. IGS states that it is the long established policy of Columbia Gas Transmission to not interrupt the delivery of any gas received in the same market area, regardless of the type of shipping contract used. Provide written documentation of this policy.

f. IGS states that Columbia's position on locally produced gas will lessen the value of local Kentucky production and will arbitrarily impose unjustified costs on consumers. Explain how Columbia's position would lessen the value of local production.

g. Identify and quantify the costs that implementation of Columbia's proposal would impose and explain why you allege that these costs are arbitrary.

h. Explain how local production compares to other sources of gas in terms of both cost and reliability.

4. Refer to page 5. IGS states that it would prefer a prospective auditing procedure such as the ones used by COH, CPA, and other companies where it participates in choice programs. Provide copies of the procedures used by COH, CPA and one of the other companies that is not a Columbia affiliate.

5. Refer to page 6. IGS disagrees with Columbia regarding whether it has provided Columbia a written demonstration of its supply capabilities. Provide the written demonstration of its supply capabilities that IGS provided to Columbia.

6. Refer to page 7. IGS states that Phase II is administratively one-sided and burdensome to consumers and suppliers.

a. Explain whether or not IGS participated in the proceeding in which the Commission approved Columbia's Choice Program.

b. If it did participate, did IGS object to the Phase II requirements during that proceeding?

c. Explain whether IGS understood the requirements of Phase II when it entered Columbia's Choice Program.

d. Explain why you allege that Phase II is one-sided and burdensome to consumers and suppliers.

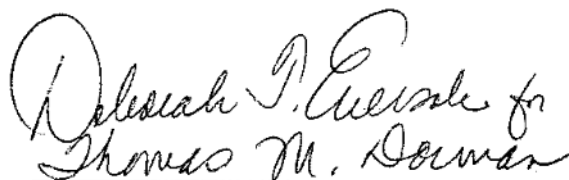
7. Refer to page 8. IGS suggests modifying Columbia's proposed tariff to adjust the peak day requirements downward for the months of November, December and March.

a. Explain why you believe that peak day requirements should be adjusted downward during these months.

b. Explain why January and February are not included in IGS's proposed modification.

c. Provide the peak day requirements that Columbia imposed on IGS and IGS's peak day requirements for the months of November through March for each of the last two heating seasons.

d. Provide the amount of the reduction IGS proposes for the peak day requirements for November, December and March.



Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED August 16, 2002

cc: All Parties