

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF GAS RATES OF) CASE NO.
COLUMBIA GAS OF KENTUCKY, INC.) 2002-00145

FIRST DATA REQUEST OF COMMISSION STAFF TO
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

The Kentucky Industrial Utility Customers, Inc. (KIUC) is requested, pursuant to Administrative Regulation 807 KAR 5:001, 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 September 6, 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 witness 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. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Refer to Exhibit RAB-4 of the Direct Testimony of Richard A. Baudino.
 - a. Provide citations to the record for each capital component shown in the column titled Amount.

b. Provide all calculations and workpapers used by Mr. Baudino in calculating the cost rate shown in the column titled Grossed-Up Weighted Cost.

2. Columbia Gas of Kentucky (Columbia) and the Office of the Attorney General have proposed to use Columbia Energy Group's capital structure in the calculation of Columbia's revenue requirement. The only difference between the two proposed capital structures is the period used. Should the capital structure of the parent corporation with ultimate responsibility for issuing stock, in this instance NiSource, be used in the determination of Columbia's revenue requirement? Provide a detailed explanation to support the response.

3. Refer to page 4 of the Direct Testimony of Richard A. Baudino. Provide citations to the record to support Mr. Baudino's current year Other Postretirement Employee Benefits (OPEB) expense of \$422,647.

4. Refer to Exhibit RAB-2 of the Direct Testimony of Richard A. Baudino. Provide citations to the record to Columbia's OPEB expense of \$1,574,510.

5. Refer to page 16 of the Direct Testimony of Richard A. Baudino. Mr. Baudino rejects Mr. Moul's use of historical risk premiums in his risk premium analysis. Explain what Mr. Baudino believes Mr. Moul should have used in place of historical risk premiums.

6. Refer to page 13 of the Direct Testimony of Richard A. Baudino. Mr. Baudino states that the revenue requirement effect of his proposed adjustments is a decrease to Columbia's annual revenues of \$2.7 million. Provide a schedule showing how KIUC arrived at its proposed \$2.7 million revenue decrease.



Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
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Dated: 8/22/02

cc: Parties of Record