

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EQUITABLE )  
PRODUCTION COMPANY, SUCCESSOR TO )  
BLAZER ENERGY CORP., INC. AND ) CASE NO. 2003-00317  
SOUTHEASTERN GAS COMPANY TO )  
ADJUST RATES )

FIRST DATA REQUEST OF COMMISSION STAFF TO  
EQUITABLE PRODUCTION COMPANY

Equitable Production Company ( Equitable Production ), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due not later than November 5, 2003. 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. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to pages 1 and 2 of the application. Provide the tariffs for Blazer Energy Corporation and Southeastern Gas Company.

2. Refer to page 2 of the application. Equitable Production states, If the rate increase is approved, EPC will continue to have one of the lowest rates in the

Commonwealth for providing natural gas service to farm tap customers. Explain the basis for this statement and provide any supporting documents.

3. Refer to Attachment B, Proposed Tariff and Conditions of Service Equitable Production Company. The Attachment states that the proposed tariff is effective for service on or after August 11, 2003.

a. Explain whether Equitable Production has implemented the proposed rates.

b. If yes, provide the date implemented.

c. Provide Equitable Production's billing frequency.

4. Provide the number of customers that Equitable Production currently serves under KRS 278.485.

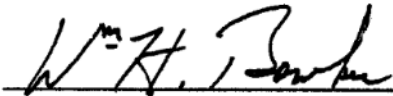
5. Pursuant to 807 KAR 5:026, Section 9(1)(a), a company may request an adjustment to rates if:

- The percentage change in rates does not exceed the percentage change in the price index during the most recent twelve (12) month period immediately preceding the date the proposed tariff is filed; and
- The proposed rate does not exceed the highest average volumetric rate of a local gas distribution utility approved by the commission and in effect on the date the proposed tariff is filed. . . .
- If the proposed percentage increase in rates exceeds the percentage change in the price index but the proposed rate remains below the highest prevailing gas rate approved by the commission, the gas company shall submit, with its proposed tariff, cost data which support the proposed increase. The data shall include the gas company's costs to provide the service during each of the previous two (2) years and shall be current within ninety (90) days of the date the proposed tariff is filed.

Equitable Production's application appears to be proposing the use of the third method, cost justification. Provide Equitable Production's cost to provide service to its farm tap customers during each of the previous 2 years, current within 90 days.

6. Provide the price that Equitable Production is currently receiving for gas it sells to consumers other than its farm tap customers.

7. In Blazer Energy Corp., Inc.'s last farm tap rate case, it used the NYMEX plus the Appalachian basis to price its gas.<sup>1</sup> Explain why Equitable Production uses the Columbia Transmission Appalachian Monthly Index to price its gas in its current filing.

*for*   
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Thomas M. Dorman  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40602

DATED October 22, 2003

cc: All Parties

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<sup>1</sup> Case No. 1998-00489, Application of Blazer Energy Corp., Inc., A Wholly Owned Subsidiary of Eastern States Oil and Gas, Inc. to Adjust Rates, Order dated April 8, 1999.