

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUITABLE GAS )  
COMPANY FOR AN ADJUSTMENT OF ) CASE NO. 2003-00411  
RATES )

SECOND DATA REQUEST OF COMMISSION STAFF TO  
EQUITABLE GAS COMPANY

Equitable Gas Company ("Equitable Gas"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due not later than January 16, 2004. 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 the Response to Item 4 of the Commission Staff's First Data Request dated December 5, 2003, which provides a modified organization chart for Equitable Resources, Inc. Equitable Gas currently purchases its natural gas supply from Kentucky West Virginia Gas Company, an affiliate listed on the organization chart.<sup>1</sup> For the period August 2002 through December 2003, Equitable Gas's Gas Cost Adjustment ("GCA") and Expected Gas Costs ("EGC") were often the highest of the gas

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<sup>1</sup> Case No. 2003-00362, The Notice of Purchased Gas Adjustment Filing of Equitable Gas Company, Schedule 2.

distribution companies regulated by the Commission.<sup>2</sup> In light of the affiliate relationship with its supplier and the level of its gas cost, describe any efforts that Equitable Gas has made or considered making to reduce its gas costs as a means of mitigating the effect of the proposed rate increase.

2. More than fifty customers have filed comment letters with the Commission in response to Equitable Gas's notice of its rate increase. Several of these customers have included copies of recent bills along with comments expressing concern over the rates and the bill calculation. Provide a detailed explanation of how Equitable Gas calculated the bill included as Attachment A.

3. Refer to the Response to Item 5(a) of the Commission Staff's First Data Request dated December 5, 2003. The original question requested a copy of the general ledger to support the "Per Books" balance for each operating expense listed. The response stated that a copy of the general ledger was attached, however, the attachment was a monthly income statement for the test year. Provide the originally requested information. The response should include detailed transaction information such as amount, transaction date, vendor name, description, and any other pertinent information.

4. Refer to the Response to Item 5(b) of the Commission Staff's First Data Request dated December 5, 2003. Explain why Equitable Gas charges payroll taxes to the salaries accounts instead of to the payroll tax account.

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<sup>2</sup> Equitable had the highest GCA in 16 of the 17 months and the second highest the remaining month. Equitable's EGC was the highest in 11 of the 17 months; for the remaining 6 months, it was between the second and fourth highest.

5. Refer to the Response to Item 6 of the Commission Staff's First Data Request dated December 5, 2003. Explain why Equitable Gas is not proposing a corresponding adjustment for depreciation expense.

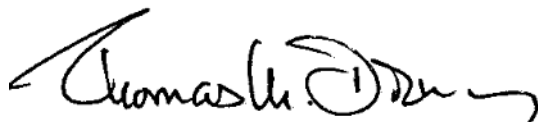
6. Explain why Equitable Gas used \$20.90 as the labor rate in the Application, Workpaper C2.3, Labor Normalization, but used \$20.31 as the labor rate in the Response to Item 7(a) of the Commission Staff's First Data Request dated December 5, 2003. Indicate which labor rate is correct for the test year.

7. Refer to the Response to Item 8 of the Commission Staff's First Data Request dated December 5, 2003.

a. Provide a detailed schedule of the actual rate case expenses incurred to date.

b. Explain why Equitable Gas included an estimate of \$1,000 for customer notification expenses when the actual expense incurred was \$978.

8. Refer to Workpaper C2.9 of the Application. Provide a detailed schedule of the expenses included in the "Employee pension and benefits attributable to meter readers" and "Normal ongoing pension and benefits attributable to meter readers." Specifically identify each expense by type and amount that is included.



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

DATED \_\_\_\_\_

cc: All Parties