

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>APPLICATION OF LOUISVILLE GAS AND ELECTRIC</b>	<b>)</b>	
<b>COMPANY FOR AN ADJUSTMENT OF ITS</b>	<b>)</b>	<b>CASE NO.</b>
<b>ELECTRIC AND GAS RATES, A CERTIFICATE</b>	<b>)</b>	<b>2012-00222</b>
<b>OF PUBLIC CONVENIENCE AND NECESSITY,</b>	<b>)</b>	
<b>APPROVAL OF OWNERSHIP OF GAS SERVICE LINES</b>	<b>)</b>	
<b>AND RISERS, AND GAS LINE SURCHARGE</b>	<b>)</b>	

**RESPONSE OF HESS CORPORATION TO THE**  
**FIRST DATA REQUEST OF THE COMMISSION STAFF**

**LOUISVILLE GAS AND ELECTRIC**

**CASE NO. 2012-00222**

**Response of Hess Corporation to the  
First Data Request of the Commission Staff**

**Responding Witness: John Mehling**

Q1. Refer to page 1 of Hess's Motion to Intervene. Explain Hess's efforts to become a "certified supplier" behind Columbia Gas of Kentucky, Inc., Duke Energy Kentucky, Atmos Energy Corporation, and Louisville Gas and Electric Company ("LG&E"). The explanation should include the date Hess first contacted each local distribution company ("LDC"), and Hess's progress toward meeting the referenced specific certification requirements of each.

A1. Hess provides the following table summarizing Hess' ongoing efforts to become a certified natural gas supplier behind the major Kentucky LDCs. A chart with explanations is attached hereto as Exhibit "A".

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Q2. Refer to page 3 of Hess's Motion to Intervene. Describe the investment made by Hess in LG&E's service territory, including the activities represented by the investment. Compare the level of Hess' investment with the investment made in the service territories of each of the other Kentucky LDCs referenced in the previous question.

A2. Hess Corporation has made a substantial investment to serve natural gas customers behind all Kentucky LDCs. In particular, in April 2012, Hess hired a Regional Operations Manager, a trader and a sales representative to serve customers in Kentucky, Illinois, Indiana and western Ohio (Hess was already serving customers in eastern Ohio). In June 2012, Hess opened an Indianapolis, Indiana office to handle all energy marketing business activities behind the LDCs in this region. To date, Hess has retained six (6) full-time employees to provide operations, trading, pricing, scheduling and sales activities behind the Kentucky LDCs. Hess is committed to serving natural gas customers throughout the Midwest and, if business conditions warrant, Hess plans on retaining more personnel in the region. When a recent acquisition closes in the next few weeks, Hess expects to gain customers in Ohio, Kentucky and Michigan (among other states).

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Q3. Refer to the Direct Testimony of John Mehling. Provide the following information for each state referenced in footnote 1 on page 2:

- a. The utility or utilities providing transportation service to Hess customers; and
- b. The transportation threshold for each transportation service tariff offered by each utility, along with the associated rate for each service.

A3. a. Hess provides natural gas supply services to gas transportation customers throughout the East Coast and Midwest. The list of LDCs where Hess operates obviously changes over time as we continue to grow our business. Currently, Hess serves customers in Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, D.C., Virginia, Delaware, West Virginia, North Carolina, South Carolina, Georgia, Ohio, and Indiana. When a recent acquisition closes in the next few weeks, Hess expects that list to expand to include Kentucky and Michigan.

b. At this time, Hess has not expended the significant time and resources to complete the exhaustive regulatory review that is necessary to provide the requested gas transportation data for all LDCs throughout its footprint. However, Hess can report on the participation thresholds for the Kentucky LDCs and other LDCs where Hess operates or intends to operate in the Midwest. See attached Exhibit "B".

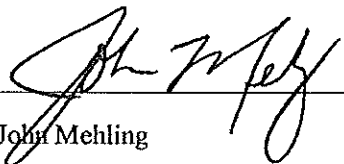
**VERIFICATION**

STATE OF INDIANA )

COUNTY OF MARION )

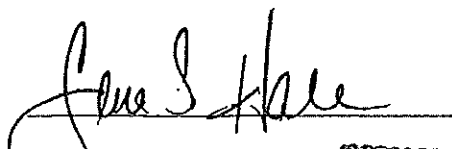
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared, John Mehling, who, being by me first duly sworn deposed and said that:

He is appearing as a witness on the behalf of the Hess Corporation before the Kentucky Public Service Commission in an Application filed by Louisville Gas and Electric Company, and that he has personal knowledge of the matters set forth in responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
John Mehling

SWORN TO AND SUBSCRIBED BEFORE ME this

13<sup>rd</sup> day of October, 2012

  
NOTARY PUBLIC

My Commission Expires:

