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September 20, 2013

Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

Re: Atmos Energy Corporation  
Case No. 2013-00148

Dear Mr. Derouen:

Atmos Energy Corporation submits its supplemental responses to the Attorney General's first data requests and its motion for confidentiality for responses to some of those questions. The motion seeks protection for the entire document referenced in the responses. I certify that the electronic documents are true and correct copies of the original documents to be filed.

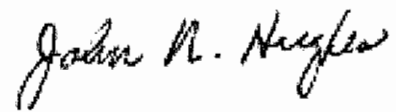
If you have any questions about this filing, please contact me.

Submitted By:

Douglas Walther  
Atmos Energy Corporation  
5430 LBJ Freeway  
1800 Three Lincoln Centre  
Dallas, TX 75240  
972-855-3102  
[Douglas.Walther@atmosenergy.com](mailto:Douglas.Walther@atmosenergy.com)

Mark R. Hutchinson  
Wilson, Hutchinson, Poteat and Littlepage  
611 Frederica St.  
Owensboro, KY 42301  
270 926 5011  
270-926-9394 fax  
[randy@whplawfirm.com](mailto:randy@whplawfirm.com)

And

A handwritten signature in black ink that reads "John N. Hughes". The signature is written in a cursive style with a large initial 'J' and 'H'.

John N. Hughes  
124 West Todd St.  
Frankfort, KY 40601  
502 227 7270  
No Fax  
jnhughes@fewpb.net

Attorneys for Atmos Energy Corporation



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

IN THE MATTER OF:

Application of Atmos Energy Corporation            )  
for an Adjustment of Rates                            ) Case No. 2013-00148  
and Tariff Modifications                                )

**PETITION FOR CONFIDENTIALITY**  
**FOR SUPPLEMENTAL RESPONSES TO ATTORNEY GENERAL'S**  
**FIRST SET OF INFORMATION REQUESTS**

Atmos Energy Corporation (Atmos Energy) petitions for an order granting confidential protection of certain supplemental responses to the Attorney General's first data request dated August 14, 2013, pursuant to 807 KAR 5:001, Section 13 and KRS 61.878. The information sought in the data requests is commercial information that if disclosed could cause substantial competitive harm to Atmos Energy. This information is not publicly available. It would be difficult or impossible for someone to discover this information from other sources. If this information were available to competitors in this form, they could use it to the competitive detriment of Atmos Energy. This information is not generally disclosed to non-management employees of Atmos Energy and is protected internally by the Company as proprietary information. The disclosure of this proprietary information would result in significant or irreparable competitive harm to Atmos Energy by providing its competitors with non-reciprocal competitive advantage. No public purpose is served by the disclosure of such information.

The Kentucky Open Records Act exempts from disclosure certain confidential or proprietary information. KRS 61.878(1)(c). To qualify for this exemption, and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the information would permit an unfair commercial advantage to competitors of the party

seeking confidentiality. Any public interest in favor of disclosure of the information is outweighed by the competitive interest in keeping the information confidential, thereby enabling Atmos Energy to successfully compete for business in Kentucky and other states. Disclosure of the information in question would put Atmos Energy at a competitive disadvantage and potentially harm its customers by giving competitors detailed information concerning the planning strategies, costs, marketing incentives and other information that would allow competitors to leverage that information to their advantage.

Item 212i, j and k deal with special contracts that have been previously determined to be confidential by the Commission, maps of facilities and Atmos Energy unregulated affiliate information:

212) With regard to the Company's proposed MLR proposed regulations and rate sheet included in MFR FR 16(1)(b)(4) Attachment 1 (PSC KY No. 2 Original Sheet No. 42), please provide the following regarding the statement in Section 2. Purpose which states, "Margin recovery associated with discounted service that is already reflected in the Company's base rates is prohibited from this Rider":

i. copies of each service contract; (Attachment 4)

The names of customers and their usage, contract terms, correspondence and related information gives competitors of Atmos Energy as well as competitors of those customers information that could be used to negotiate favorable terms for themselves as well as develop marketing strategies harmful to Atmos Energy or those specific customers. With the identity of the customer and the knowledge of the monetary and service terms, competitors would have information that would enable them to target customers in an effort to entice them to switch service. As for the information specifically requested in Item 212 i, the Commission has previously ruled in each of these contract

submissions for approval that they are confidential. The public disclosure of the customer name, customer identifiable information, monetary terms negotiated with each customer and critical monetary terms would permit an unfair advantage to those competitors. With the identity of the customer and the knowledge of the contract terms, competitors would have inside information to target these customers. All of this information is protected by the scope of confidentiality. The contract terms are also excluded from public disclosure by KRS 278.160(3).

The next item for which confidential protection is sought is 212j:

j. map(s) showing the location of each customer and proximity to interstate or other pipelines; (Attachment 6)

The maps are specifically exempted from disclosure by the Open Records

Act:

**61.878**    **Certain public records exempted from inspection except on order of court -- Restriction of state employees to inspect personnel files prohibited.**

(m) 1. Public records the disclosure of which would have a reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing, protecting against, mitigating, or responding to a terrorist act and limited to:

f. Infrastructure records that expose a vulnerability referred to in this subparagraph through the disclosure of the location, configuration, or security of critical systems, including public utility critical systems. These critical systems shall include but not be limited to information technology, communication, electrical, fire suppression, ventilation, water, wastewater, sewage, and gas systems;

g. The following records when their disclosure will expose a vulnerability referred to in this subparagraph: detailed drawings, schematics, maps, or specifications of structural elements, floor plans, and operating, utility, or security systems of any building or facility owned, occupied, leased, or maintained by a public agency

The final item for which confidentiality is sought is 212k:

k. list of each Atmos affiliate that provides gas supply or storage services to each customer identified; (Attachment 5)

The information about Atmos Energy's unregulated marketing affiliate discloses proprietary gas marketing and supply information particular to specific customers. This information would allow competitors to learn of the suppliers, the customers and other proprietary information that relates to business activity of Atmos Energy's affiliate.

The applicable statutes provide that "records confidentially disclosed to an agency or required by any agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records" shall remain confidential unless otherwise ordered by a court of competent jurisdiction." KRS 81.878(1). The natural gas industry is very competitive. Atmos has active competitors, who could use this information to their advantage and to the direct disadvantage of Atmos Energy. Atmos Energy would be at a competitive threat of loss of business due to the ability of its competitors to leverage the information to their advantage.

Atmos Energy requests that the information be held confidentially indefinitely. The statutes cited above do not allow for disclosure at any time. Given the competitive nature of the natural gas business and the efforts of non-regulated competitors to encroach upon traditional markets, it is imperative that regulated information remain protected and that the integrity of the information remain secure.

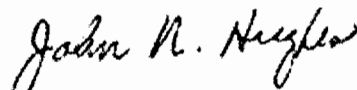
For these reasons, Atmos Energy requests that the items identified in this petition be treated as confidential. Should the Commission determine that some

or all of the material is not to be given confidential protection, Atmos Energy requests an hearing prior to any public release of the information to preserve its rights to notice of the grounds for the denial and to preserve its right of appeal of the decision.

Submitted by:

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Dallas, TX 75265  
972-855-3102  
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Fax: none  
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Attorneys for Atmos Energy Corporation





COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF )  
RATE APPLICATION OF ) Case No. 2013-00148  
ATMOS ENERGY CORPORATION )

AFFIDAVIT

The Affiant, Gregory K. Waller, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's first request for information are true and correct to the best of his knowledge and belief.

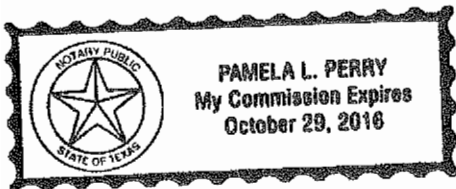
Gregory K. Waller  
Gregory K. Waller

STATE OF Texas  
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 22<sup>nd</sup> day of August, 2013.

Pamela L. Perry  
Notary Public

My Commission Expires: 10-24-16

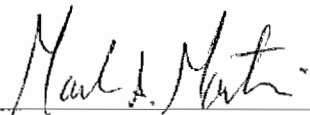


COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF )  
RATE APPLICATION OF ) Case No. 2013-00148  
ATMOS ENERGY CORPORATION )

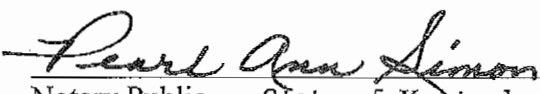
AFFIDAVIT

The Affiant, Mark A. Martin, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's first request for information are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Mark A. Martin

STATE OF Kentucky  
COUNTY OF Daviess

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 20th day of August, 2013.

  
\_\_\_\_\_  
Notary Public - State of Kentucky at Large  
My Commission Expires: Sept. 26, 2013  
Notary ID: 403674



Case No. 2013-00148  
Atmos Energy Corporation, Kentucky Division  
AG DR Set No. 1  
Question No. 1-140 (Supplement 1)  
Page 1 of 1

**SUPPLEMENTAL RESPONSE (9/20/2013)**

**REQUEST:**

As a follow-up to Staff RFI Set No. 1, Question No. 1-54, provide a copy of all invoices of outside consultants and attorneys related to rate case expense in this rate case. Provide updated information and invoices on a monthly basis.

**SUPPLEMENTAL RESPONSE:**

The Company objects to the question on the grounds that legal invoices contain information subject to Attorney/Client Privilege and information applicable to the Work Product Doctrine. Notwithstanding the objection, please see supplemental Attachment 1 for the rate case legal invoice.

**ATTACHMENT:**

ATTACHMENT 1 - Atmos Energy Corporation, OAG\_1-140\_Att1\_Suppl - Legal Invoice.pdf, 2 Pages.

Respondent: Greg Waller

June 4, 2013

John N. Hughes, PSC  
Attorney at Law  
124 West Todd St.  
Frankfort, KY 40601

Atmos Energy Corporation  
%Douglas Walther  
5430 LBJ Freeway  
1800 Three Lincoln Centre  
Dallas, TX 75240

Invoice Number 60113

Account reference: 2013 Kentucky rate case

**STATEMENT OF ACCOUNT**

4/3	Telephone conference re: rate case issues	.33
4/10	Response to MM re; rate case issues, pleadings	.42
4/11	Prepare and file notice of intent to file rate application w/PSC	.33
4/16	Teleconference re: rate case preparation	.5
4/17	Telephone GW re: FASB 87 - pension deferral; research PSC cases	.91
4/18	Response GW re; FASB 87	.33
4/25	Teleconference re: rate issues; response PSC re: WNA case issues	.59
4/26	Review electronic filing regulations; draft customer notice; review several messages/documents re: rate application	2.16
4/29	Review MFR draft responses; Waller testimony; file electronic filing election form w/PSC	3.25
4/30	Review Waller, Schneider, Napier draft testimony; prior case testimony and issues	7.5
5/1	Review testimony, MFR's	3.33
5/3	Draft rate application	2.75
5/6	Review PSC data request; draft MFR exhibit; review revised responses	1.83
5/7	Teleconference rate case preparation; review testimony, MFR's application revisions	6.5
5/8	Review testimony, notice, MFR's; revisions to application	7
5/9	Review/revise testimony, petition, MFR's	4.33
5/10	Several messages, responses re: MFR's, electronic filing issues, tariffs	.67

5/13	Response GW re: PSC initial data request; file paper copy of application w/PSC	.75
5/20	Response MM re: newspaper notices	.16
5/21	Several messages/responses re: data responses	.5
5/24	Review Stand Energy motion to intervene	.25
5/28	Draft objection to Stand intervention	3
5/29	Revisions to Stand objection; draft response to PSC deficiency letter	5.75
5/30	Several revisions to Stand objection; file w/PSC; several messages, revisions re: deficiency response; research confidentiality of executive compensation	1.5
5/31	Research/draft confidentiality petition for responses to PSC	1.67
	Sub total	56.31 hrs @ \$350.00= \$19,708.50
	<b>Expenses</b>	<b>\$00</b>
	Prior balance	\$2,565.50
	<b>TOTAL DUE</b>	<b>\$22,274.00</b>





**Case No. 2013-00148**  
**Atmos Energy Corporation, Kentucky Division**  
**AG DR Set No. 1**  
**Question No. 1-212 (Supplement 1)**  
**Page 1 of 3**

**SUPPLEMENTAL RESPONSE (9/20/2013)**

**REQUEST:**

With regard to the Company's proposed MLR proposed regulations and rate sheet included in MFR FR 16(1)(b)(4) Attachment 1 (PSC KY No. 2 Original Sheet No. 42), please provide the following regarding the statement in Section 2. Purpose which states, "Margin recovery associated with discounted service that is already reflected in the Company's base rates is prohibited from this Rider":

- a. the reference(s) to the current tariff, regulations and/or Commission Order(s) that authorized the Company to allow "discounted service" and the regulatory treatment of the shortfall in revenues associated with these discounted services;
- b. an identification of each customer by rate schedule taking discounted service that is included in the test year in this case;
- c. the actual rate(s) currently being charged for each of the customers identified in (b), as well as the applicable billing determinants;
- d. the revenues collected from the rates provided in (c);
- e. the revenues that would have been collected at full tariff rates from the customers identified in (b), as well as the identification of full tariff rates associated with the billing determinants in (c);
- f. the treatment of the revenue shortfall (difference between full rates and discounted rates revenues) in this case;
- g. all records, documents, evaluations and analyses undertaken by or for the Company associated with each customer in (b) that supports the necessity for a tariff rate lower than the full tariff rate;
- h. the annual throughput, revenues collected, and full tariff revenues associated with discounted services provided by the Company separated by rate schedule for each of the last three years;
- i. copies of each service contract;
- j. map(s) showing the location of each customer and proximity to interstate or other pipelines;

**Case No. 2013-00148**  
**Atmos Energy Corporation, Kentucky Division**  
**AG DR Set No. 1**  
**Question No. 1-212 (Supplement 1)**  
**Page 2 of 3**

- k. list of each Atmos affiliate that provides gas supply or storage services to each customer identified; and,
- l. itemization and gross investment of dedicated facilities (e.g., mains, compressors, regulators, and services) used to serve each customer identified.

**SUPPLEMENTAL RESPONSE:**

The Company provides the following supplemental responses to OAG DR No. 1-212.

- a) The tariff allowing Atmos Energy to enter into special contracts with transportation customers is found in the sections "Transportation Services" in the current tariff. Atmos Energy submitted for Commission review, the special contracts previously provided. They were not submitted as or treated as separate case filings by the PSC. They were reviewed and a letter approving the contract was issued to Atmos Energy. There is no case number or filing number associated with the contracts, so Atmos Energy cannot provide a direct link from the contract filing to the PSC approval letter. There was no rate adjustment associated with the initial contract filing.

In the subsequent rate case, and in all rate cases since, the revenue requirement associated with the previously approved contracts was reviewed by the Commission. In Case No. 99-070, the first rate case after the filing of the initial contracts, the revenue adjustment associated with the special contracts was provided to the Commission as a response to a Staff data request, which revised revenue requirement calculations with the contract adjustments. That adjusted revenue requirement was reviewed by the Commission and included in the final determination of rates. The final order in that case reflects the contract rate adjustments and as such constitutes approval of the "discounted" rates. Because the PSC approved rates that included the modified contract rates, the final order in each rate case represents the approval of the "special contract rate". There is no other PSC order that addresses the contracts.

Please see supplemental Attachment 1 through supplemental Attachment 3 for supporting documentation.

- f) Please see the supplemental response to subpart (a). The Commission's final order in Case No. 99-070 approved rates, which included the special contract rates, which authorized Atmos Energy to charge the approved rates.
- g) Please see the supplemental response to subpart (a). The documentation of the revenue impact of the contracts and the commission acceptance of the revenue

**Case No. 2013-00148**  
**Atmos Energy Corporation, Kentucky Division**  
**AG DR Set No. 1**  
**Question No. 1-212 (Supplement 1)**  
**Page 3 of 3**

requirement based on those contracts is reflected in the attachments and the final order in Case No. 99-070.

- i) Please see supplemental Attachment 4 for the additional service agreements. The service agreements in supplemental Attachment 4 are Confidential. Please note that (b), (c) and (d) in the OAG's September 16, 2013 letter to the Company are actually all one customer, and thus have one service agreement.
- j) The Company does not map its distribution system by customer. Please see supplemental Attachment 6. The maps provided in supplemental Attachment 6 are Confidential. The Company has used its existing maps to attempt to satisfy this request.
- k) Please see supplemental Attachment 5 for Kentucky special contract customers with the Atmos Energy affiliate. The information in supplemental Attachment 5 is Confidential.
- l) Please see the Company's response and attachments to OAG DR No. 2-88 subpart (a).

**ATTACHMENTS:**

ATTACHMENT 1 - Atmos Energy Corporation, OAG\_1-212\_Att1\_Suppl - Approvals.pdf, 30 Pages.

ATTACHMENT 2 - Atmos Energy Corporation, OAG\_1-212\_Att2\_Suppl - Additional Contract References.xlsx, 3 Pages.

ATTACHMENT 3 - Atmos Energy Corporation, OAG\_1-212\_Att3\_Suppl - Discount Projections.xls, 2 Pages.

ATTACHMENT 4 - Atmos Energy Corporation, OAG\_1-212\_Att4\_Suppl - Special Contracts (CONFIDENTIAL).pdf, 80 Pages.

ATTACHMENT 5 - Atmos Energy Corporation, OAG\_1-212\_Att5\_Suppl - KY Special Contract Customers (CONFIDENTIAL).pdf, 1 Page.

ATTACHMENT 6 - Atmos Energy Corporation, OAG\_1-212\_Att6 - Special Customers Maps (CONFIDENTIAL).pdf, 18 Pages.

Respondent: Mark Martin

RECEIVED

OCT 04 1999

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

RATE APPLICATION OF WESTERN KENTUCKY  
GAS COMPANY

Case No. 99-070

**PETITION FOR CONFIDENTIALITY OF CERTAIN INFORMATION**  
**PROVIDED IN RESPONSE TO DR ITEM 5 OF THE STAFF'S**  
**THIRD REQUEST FOR INFORMATION**

Comes now Western Kentucky Gas Company ("Western"), pursuant to 807 KAR 5:001, Section 7, and all other applicable law, and for its Petition for Confidentiality, states as follows:

In Item No. 5 of the Staff's Third Request for Information, Western was requested to provide for each of Western's special contract customers the net revenues it would produce Western if billed at Western's tariffed rates, at both existing rates and the proposed rates. These calculations are set forth in the attached Schedule DR Item 5(a) & (d) and Schedule DR Item (b) & (c), which are marked as Exhibits A & B, respectively.

The information contained in Exhibits A & B reveal volume and discount levels for each special contract industrial customer for whom a discount has been negotiated, disclosure of all of which is necessary in order to provide the calculations requested by the Staff. The Commission has previously ruled in this proceeding that proprietary information of this nature is entitled to confidential protection for the reasons set forth below.

Pursuant to KRS 61.878(1)(c) the following documents are eligible for confidential

treatment:

"Upon and after July 15, 1992, records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary which is openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records--".

This is the same standard adopted by the Commission pursuant to 807 KAR 5:0001, Section 7. Company specific details concerning volumes and confidentially negotiated discounts with private enterprises are generally recognized as confidential and proprietary. Disclosure of details pertaining to a particular customer's volume and discount, are likely to cause substantial competitive harm to Western. Knowledge of these facts will provide Western's competitors with a substantial advantage in future business negotiations with Western's customers. Western's competitors would have clear advantage in competing for these customers since knowledge of existing Western discounts would enable them to slightly undercut Western's charges. On the other hand, Western's unregulated competitors are not required to make public similar information.

Accordingly, the value of the information is derived by not being readily ascertainable by Western's competitors who would have a clear economic advantage upon disclosure. Negotiations concerning the discounts were maintained with strict confidentiality. None of this information is posted or otherwise generally made available within the company or without. Only those employees of Western who have a legitimate need to know have knowledge of the information contained in Exhibits A & B.

Additionally, disclosure of this information would put Western at a disadvantage in future negotiations of special contracts with other industrial customers. There would be little room for

bargaining when a potential customer knows exactly what discounts Western has negotiated with other industrial customers. This likewise would put Western at an unfair commercial disadvantage.

WHEREFORE, Western respectfully requests that the attached Exhibits A & B be treated as confidential. One copy of the attached Exhibits have been submitted with the confidential portions highlighted for review and consideration by the Commission. Redacted copies of these documents have been submitted with Western's filing.


Respectfully submitted this 4 day of October, 1999.

Douglas Walther  
Atmos Energy Corporation  
P.O. Box 650205  
Dallas, TX 75265

SHEFFER - HUTCHINSON - KINNEY  
Mark R. Hutchinson  
115 E. Second St.  
Owensboro, KY 42303

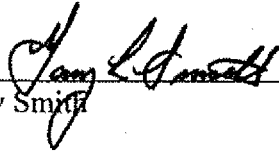
John N. Hughes  
124 West Todd Street  
Frankfort, KY 40601

Attorneys for Western  
Kentucky Gas Company

By:  \_\_\_\_\_

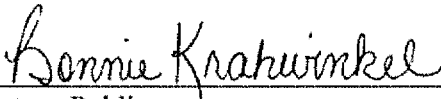
#### VERIFICATION

I, Gary Smith, being duly sworn under oath, state that I am Vice President of Marketing of Western Kentucky Gas Company, and that the foregoing statements are true of my own knowledge except as to those matters therein stated on information and belief, and as to those matters I believe them to be true.

  
\_\_\_\_\_  
Gary Smith

STATE OF KENTUCKY  
COUNTY OF DAVIESS

SUBSCRIBED AND SWORN to before me by Gary Smith on this the 4 day of  
October, 1999.

  
\_\_\_\_\_  
Notary Public  
My Commission: 7/30/2000

**CERTIFICATE OF SERVICE**

I hereby certify that on the 4 day of October, 1999, this Petition, together with  
fifteen (15) copies, was filed with the Kentucky Public Service Commission, 730 Schenkel Lane,  
Frankfort, Kentucky 40602, and a true copy thereof mailed by first class mail to the following  
named persons:

Hon. David Spenard  
Assistant Attorney General  
Office of Rate Intervention  
1024 Capitol Center Drive  
Frankfort, Kentucky 40601

Hon. Mel Camenisch, Jr.  
Stoll, Keenon & Park, LLP  
201 E. Main Street  
Suite 1000  
Lexington, Kentucky 40507-1380

  
\_\_\_\_\_  
Mark R. Hutchinson

F-130

P.02

T-071

Western Kentucky Gas Company  
 Case 99-070  
 KPSC DR#3, Item 5 (a) & (d)  
 Witness: Smith

**CONFIDENTIAL**  
 DR Item 5 (a) & (d)  
 Schedule 1 of 2

Line No.	Description	Service Type	Tariff Billing Blocks (Mcf)	Test Year Volumes Into Billing Blocks (Mcf)	Present Tariff Rates	Net Revenues If Billed Present Tariff Rates	Proposed Tariff Rates	Net Revenues If Billed Present Tariff Rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1								
2	Customer A	Firm Carriage	1st 300/mo	3,600	1.0615	\$3,821	1.2000	\$4,320
3		Firm Carriage	Next 14700/mo	176,400	0.5585	98,519	0.6949	122,580
4		Firm Carriage	Over 15000/mo	1,387,684	0.4085	1,383,869	0.4299	1,456,365
5		Total		3,567,384		1,486,210		1,383,266
6								
7	Customer B	Firm Carriage	1st 300/mo	3,600	1.0615	3,821	1.2000	4,320
8		Firm Carriage	Next 14700/mo	176,400	0.5585	98,519	0.6949	122,580
9		Firm Carriage	Over 15000/mo	91,140	0.4085	37,231	0.4299	39,181
10		Int. Carriage	1st 15000/mo	-	0.4936	-	0.5300	-
11		Int. Carriage	Over 15000/mo	1,136,262	0.3436	390,420	0.3301	375,080
12		Total		1,407,402		529,991		541,162
13								
14	Customer C	Firm Carriage	1st 300/mo	3,600	1.0615	3,821	1.2000	4,320
15		Firm Carriage	Next 14700/mo	176,400	0.5585	98,519	0.6949	122,580
16		Firm Carriage	Over 15000/mo	551,299	0.4085	225,206	0.4299	237,003
17		Total		731,299		327,546		363,904
18								
19	Customer D	Firm Carriage	1st 300/mo	3,600	1.0615	3,821	1.2000	4,320
20		Firm Carriage	Next 14700/mo	143,060	0.5585	79,899	0.6949	99,412
21		Firm Carriage	Over 15000/mo	459	0.4085	189	0.4299	197
22		Total		147,119		83,908		103,930
23								
24	Customer E	Int. Carriage	1st 15000/mo	180,000	0.4936	88,848	0.5300	95,400
25		Int. Carriage	Over 15000/mo	320,433	0.3436	110,101	0.3301	105,775
26		Total		500,433		198,949		201,175
27								
28	Customer F	Int. Carriage	1st 15000/mo	180,000	0.4936	88,848	0.5300	95,400
29		Int. Carriage	Over 15000/mo	1,056,258	0.3436	362,930	0.3301	348,671
30		Total		1,236,258		451,778		444,071
31								
32	Customer G	Int. Carriage	1st 15000/mo	180,000	0.4936	88,848	0.5300	95,400
33		Int. Carriage	Over 15000/mo	992,279	0.3436	340,947	0.3301	327,551
34		Total		1,172,279		429,795		422,951
35								
36	Customer H	Int. Carriage	1st 15000/mo	180,000	0.4936	88,848	0.5300	95,400
37		Int. Carriage	Over 15000/mo	341,362	0.3436	117,292	0.3301	112,684
38		Total		521,362		206,140		208,084

**CONFIDENTIAL**



F-130

T-071 P.03

Western Kentucky Gas Company  
 Case 99-070  
 KPSC DR#3, Item 5  
 Witness: Smith

CONFIDENTIAL  
 DR Item 5 (a) & (d)  
 Schedule 2 of 2

Line No.	Description	Service Type	Tariff Billing Blocks (Mcf)	Test Year Volumes Into Billing Blocks (Mcf)	Present Tariff Rates	Net Revenues If Billed Present Tariff Rates	Proposed Tariff Rates	Net Revenues If Billed Present Tariff Rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1								
2	Customer I	Int. Carriage	1st 15000/mo	180,000	0.4936	88,848	0.5300	95,400
3		Int. Carriage	Over 15000/mo	2,447,872	0.3436	841,089	0.3301	808,043
4		Total		2,627,872		929,937		903,443
5								
6	Customer J	Int. Carriage	1st 15000/mo	173,301	0.4936	85,541	0.5300	91,850
7		Int. Carriage	Over 15000/mo	33,512	0.3436	11,515	0.3301	11,062
8		Total		206,813		97,056		102,912
9								
10	Customer K	Int. Carriage	1st 15000/mo	169,930	0.4936	83,902	0.5300	90,089
11		Int. Carriage	Over 15000/mo	41,856	0.3436	14,382	0.3301	13,817
12		Total		211,786		98,284		103,906
13								
14	Customer L	Int. Carriage	1st 15000/mo	180,000	0.4936	88,848	0.5300	95,400
15		Int. Carriage	Over 15000/mo	665,782	0.3436	228,763	0.3301	219,775
16		Total		845,782		317,611		315,175
17								
18	Customer M	Int. Carriage	1st 15000/mo	155,472	0.4936	76,741	0.5300	82,400
19		Int. Carriage	Over 15000/mo	492	0.3436	169	0.3301	162
20		Total		155,964		76,910		82,563
21								
22	Special Contracts Total			13,332,103		5,234,115		5,376,339
23								
24	Total Volumes By Service Type:							
25								
26	All Customers, as a group	Firm Carriage	1st 300/mo	14,400	1.0615	15,286	1.2000	17,280
27		Firm Carriage	Next 14700/mo	672,260	0.5585	375,457	0.6949	467,153
28		Firm Carriage	Over 15000/mo	4,030,582	0.4085	1,646,493	0.4299	1,732,747
29		Total		4,717,242		2,037,236		2,217,181
30								
31		Int. Carriage	1st 15000/mo	1,578,753	0.4936	779,272	0.5300	836,739
32		Int. Carriage	Over 15000/mo	7,036,108	0.3436	2,417,607	0.3301	2,322,619
33		Total		8,614,861		3,196,879		3,159,358

CONFIDENTIAL

Oct-11-99 09:12am From-

Western Kentucky Gas Company  
 Case 99-070  
 KPSC DR#3, Item 5 (b) & (c)  
 Witness: Smith

CONFIDENTIAL  
 DR Item 5 (b) & (c)

Line No.	Description (a)	Service Type (b)	Total Test Year Volumes (c)	Present Margin (d)	Present Revenue (e)
1	<b>Special Contracts - Firm Carriage</b>				
2					
3	Customer A	Firm Carriage	3,567,684	0.0825	\$294,334
4					
5	Customer B	Firm Carriage	69,750	0.2100	14,648
6		Firm Carriage	201,390	0.2000	40,278
7					
8	Customer C	Firm Carriage	104,872	0.1000	10,487
9		Firm Carriage	626,427	0.0690	43,223
10					
11	Customer D	Firm Carriage	147,119	0.1500	22,068
12					
13	<b>TOTAL FIRM CARRIAGE</b>		<b>4,717,242</b>		<b>425,038</b>
14					
15	<b>Special Contracts - Interruptible Carriage</b>				
16					
17	Customer B	Int. Carriage	120,725	0.1500	18,109
18		Int. Carriage	431,544	0.1250	53,943
19		Int. Carriage	583,993	0.1100	64,239
20					
21	Customer E	Int. Carriage	500,433	0.1500	75,065
22					
23	Customer F	Int. Carriage	1,236,258	0.1800	222,526
24					
25	Customer G	Int. Carriage	1,172,279	0.2200	257,901
26					
27	Customer H	Int. Carriage	521,362	0.1600	83,418
28					
29	Customer I	Int. Carriage	2,627,872	0.0900	236,508
30					
31	Customer J	Int. Carriage	206,813	0.3200	66,180
32					
33	Customer K	Int. Carriage	211,836	0.1000	21,184
34					
35	Customer L	Int. Carriage	845,782	0.1400	118,409
36					
37	Customer M	Int. Carriage	155,964	0.3200	49,908
38					
39	<b>TOTAL INTERRUPTIBLE CARRIAGE</b>		<b>8,614,861</b>		<b>1,267,392</b>

**CONFIDENTIAL**

**JOHN N. HUGHES**  
*Attorney at Law*  
Professional Service Corporation  
124 WEST TODD STREET  
FRANKFORT, KENTUCKY 40601

Telephone:  
(502) 227-7270

Telecopier:  
(502) 875-7059

October 7, 1999

Ms. Helen Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

Re: Case No. 99-070

Dear Ms. Helton:

Attached are revised schedules and data request responses associated with Western's filing of several special contracts being filed separately today. As a result of the requirement that Western file its renegotiated special gas contracts, the revenue requirement filed with the application must be modified to reflect the changes in the rates contained in the agreements.

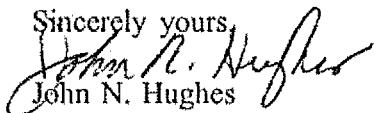
Until the contracts were finalized, Western did not know the effect on rates. A provision for "Additional Contract Reformatations" was included in the Company's Application; however, with the submittal of these special contracts, Western can now more precisely quantify their impact on the Company's revenues. There is one special contract still being negotiated as indicated on revised Schedules GLS-1 and GLS-4. Any change necessitated by that contract should be known by November 15th at which time any additional changes will be filed.

Several other schedules have been modified to include the adjusted contract amounts. Those schedules are: Exhibits GLS-1, GLS-3, and GLS-7 (testimony of Gary L. Smith at volume 2 of 10, tab 11); and FR 10(10)n, Schedule 2 of 2 (volume 10, tab 13). These changes also modify the responses to the following Commission data requests: PSC DR #1-47(a), PSC DR #1-52(b), and PSC DR #3-9. The modified schedules are attached. Also, response 58 to the Commission's Third Data request will include the modified revenue calculation.

Because some of the information contained in the revised schedules is confidential, a petition for confidentiality is also being submitted.

If there are any questions about this matter or if additional information is needed, please contact me.

Sincerely yours,



John N. Hughes

Attorney for Western Kentucky  
Gas Company

cc: Intervenors

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

RATE APPLICATION OF WESTERN KENTUCKY  
GAS COMPANY

Case No. 99-070

**PETITION FOR CONFIDENTIALITY OF CERTAIN INFORMATION  
PROVIDED IN VARIOUS REVISED APPLICATION SCHEDULES**

Comes now Western Kentucky Gas Company ("Western"), pursuant to 807 KAR 5:001, Section 7, and all other applicable law, and for its Petition for Confidentiality, states as follows:

Since the filing of its application in this proceeding, Western has finalized fourteen (14) special contracts. Western has now filed each of these with the Commission. As a result of the finalization of these contracts, it was necessary for Western to modify the revenue requirement in its original application to reflect the changes in rates in these special contracts. Until the contracts were finalized, Western did not know the precise effect on rates.

Recognizing the effect of the revenues under the special contracts filed with the Commission, Western has modified the following application schedules: Exhibits GLS-1, GLS-3, and GLS-7 (Testimony of Gary Smith at Volume 2 of 10, Tab 11), and FR 10(10)n-Schedule 2 of 2 (Volume 10, Tab 13).

The information contained in Exhibit GLS-1 Schedules 2 through 4 of 4 and Exhibit GLS-7 Schedules 2 through 4 of 4 reveal volume and discount levels for special contract industrial customers for whom a discount has been negotiated. The Commission has previously

ruled in this proceeding that proprietary information of this nature is entitled to confidential protection for the reasons set forth below.

Pursuant to KRS 61.878(1)(c) the following documents are eligible for confidential treatment:

"Upon and after July 15, 1992, records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary which is openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records--".

This is the same standard adopted by the Commission pursuant to 807 KAR 5:0001, Section 7. Company specific details concerning volumes and confidentially negotiated discounts with private enterprises are generally recognized as confidential and proprietary. Disclosure of details pertaining to a particular customer's volume and discount, are likely to cause substantial competitive harm to Western. Knowledge of these facts will provide Western's competitors with a substantial advantage in future business negotiations with Western's customers. Western's competitors would have clear advantage in competing for these customers since knowledge of existing Western discounts would enable them to slightly undercut Western's charges. On the other hand, Western's unregulated competitors are nor required to make public similar information.

Accordingly, the value of the information is derived by not being readily ascertainable by Western's competitors who would have a clear economic advantage upon disclosure.

Negotiations concerning the discounts were maintained with strict confidentiality. None of this information is posted or otherwise generally made available within the company or without.

Only those employees of Western who have a legitimate need to know have knowledge of this

information.

Additionally, disclosure of this information would put Western at a disadvantage in future negotiations of special contracts with other industrial customers. There would be little room for bargaining when a potential customer knows exactly what discounts Western has negotiated with other industrial customers. This likewise would put Western at an unfair commercial disadvantage.

WHEREFORE, Western respectfully requests that the attached be treated as confidential. One copy of the attached has been submitted with the confidential portions highlighted for review and consideration by the Commission. Redacted copies of these documents have been submitted with Western's filing.

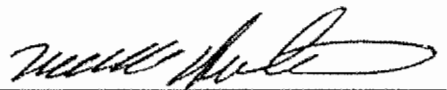
Respectfully submitted this 17 day of October, 1999.

Douglas Walther  
Atmos Energy Corporation  
P.O. Box 650205  
Dallas, TX 75265

SHEFFER - HUTCHINSON - KINNEY  
Mark R. Hutchinson  
115 E. Second St.  
Owensboro, KY 42303

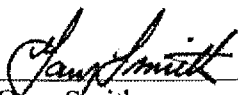
John N. Hughes  
124 West Todd Street  
Frankfort, KY 40601

Attorneys for Western  
Kentucky Gas Company

By: 

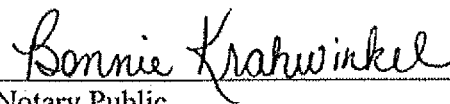
### VERIFICATION

I, Gary Smith, being duly sworn under oath, state that I am Vice President of Marketing of Western Kentucky Gas Company, and that the foregoing statements are true of my own knowledge except as to those matters therein stated on information and belief, and as to those matters I believe them to be true.

  
\_\_\_\_\_  
Gary Smith

STATE OF KENTUCKY  
COUNTY OF DAVIESS

SUBSCRIBED AND SWORN to before me by Gary Smith on this the 6 day of October, 1999.

  
\_\_\_\_\_  
Notary Public  
My Commission: 7/30/2000

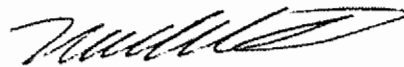
### CERTIFICATE OF SERVICE

I hereby certify that on the 7 day of October, 1999, this Petition, together with fifteen (15) copies, was filed with the Kentucky Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky 40602, and a true copy thereof mailed by first class mail to the following named persons:

Hon. David Spenard  
Assistant Attorney General  
Office of Rate Intervention  
1024 Capitol Center Drive  
Frankfort, Kentucky 40601

Hon. Mel Camenisch, Jr.  
Stoll, Keenon & Park, LLP  
201 E. Main Street  
Suite 1000  
Lexington, Kentucky 40507-1380





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Mark R. Hutchinson

wkg\psc\rate\pet for con of revised application schedules

EXHIBIT GLS-1  
Schedule 1 of 4  
(REVISED-10/7/99)

Western Kentucky Gas Company  
Summary of Revenue at Present Rates  
Test Year Ending 12/31/2000

Line No.	Description	Block (Mcf)	Reference Period - Twelve Months Ending 9/30/98					Forward-looking Adjustments To Test Year		Total Test Year Volumes	Present Margin	Present Revenue
			Number of Bills, Units	Volumes As Metered	Contract Adj. Bills and Volumes	Weather Adj. Volumes	Total Volumes	Customer Growth Forecast	Conservation & Efficiency Adjustments			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	Sales											
2	Firm Sales (G-1, LVS-1)	Customer Chrg	1,855,928					45,900			\$5.10	\$9,699,323
3		Customer Chrg	231,782		71			6,210			13.60	3,237,657
4		0 - 300		18,553,788	(81,063)	1,079,624	19,552,349	481,208	(735,061)	19,298,496	1.0615	20,485,353
5		301 - 15,000		2,498,766	(638,339)	85,954	1,946,381	28,892	(20,410)	1,954,863	0.5585	1,091,791
6		Over 15,000		8,819	0	0	8,819	0	0	8,819	0.4085	3,603
7	Interruptible Sales (G-2, LVS-2)	Customer Chrg	414		(16)						150.00	59,700
8		0 - 15,000		1,406,428	(333,250)		1,073,178			1,073,178	0.4936	529,721
9		Over 15,000		376,956	(127,603)		249,353			249,353	0.3436	85,678
10	Overrun (T-4)	0 - 300		11,639	(11,639)		0			0	1.1677	0
11		301 - 15,000		25,410	(25,410)		0			0	0.6144	0
12		Over 15,000		0	0		0			0	0.4494	0
13	Overrun (T-3)	0 - 15,000		141,016	(141,016)		0			0	0.5430	0
14		Over 15,000		0	0		0			0	0.3780	0
15	Transportation											
16	Customer Charges (T2/G1)	Customer Chrg	[1]								13.60	
17	Customer Charges (T2/G2, T4, T3)	Customer Chrg	1,392		27						150.00	212,850
18	Transp. Adm. Fee	Customer Chrg	1,468		367						45.00	82,575
19	Parked Volumes [2]			526,520							0.10	52,652
20	Alternate Receipt Point											
21	Firm Transport (G-1)	0 - 300		30,455	252		30,707			30,707	1.0615	32,595
22		301 - 15,000		500,929	(24,009)		476,920			476,920	0.5585	266,360
23		Over 15,000		78,311	0		78,311			78,311	0.4085	31,990
24	Interruptible Transport (G-2)	0 - 15,000		786,564	(229,742)		556,822			556,822	0.4936	274,847
25		Over 15,000		148,134	(58,376)		89,758			89,758	0.3436	30,841
26	Firm Carriage (T-4)	0 - 300		168,705	104,683		273,388			273,388	1.0615	290,201
27		301 - 15,000		2,680,003	672,759		3,352,762			3,352,762	0.5585	1,872,518
28		Over 15,000		531,549	(310,532)		221,017			221,017	0.4085	90,285
29	Interruptible Carriage (T-3)	0 - 15,000		4,177,009	479,546		4,656,555			4,656,555	0.4936	2,298,476
30		Over 15,000		3,493,877	(860,790)		2,633,087			2,633,087	0.3436	904,729
31	Total Special Contracts [3]		156	13,230,373	101,730		13,332,103			13,332,103		1,692,428
32	Total Tariff		2,091,140	48,848,731	(1,482,799)	1,165,578	48,531,510	510,100	(755,471)	48,286,139		43,526,173
33	Additional Contract Reformation [4]											(1,858,302)
34	Other Revenue											755,000
35												
36	Total Revenue, excluding gas costs										\$	43,022,871
37												
38	Gas Costs											77,522,158
39	TOTAL REVENUE										\$	120,545,029
40												

41 [1] Number of Bills included in G-1 Sales.  
42 [2] Parked Volumes not included in Total Deliveries.  
43 [3] Information on individual Special Contracts is confidential.  
44 [4] Discount from present tariff rates. Based on confidential information. See Confidential Exhibit GLS-1, Schedules 2-4 of 4.







WESTERN KENTUCKY GAS COMPANY  
 INDUSTRIAL / LARGE COMMERCIAL CONTRACT ADJUSTMENTS - BILLS & VOLUMES  
 TWELVE MONTHS ENDED SEPTEMBER 30, 1998

EXHIBIT GLS-3  
 Schedule 1 of 1  
 (REVISED-10/7/99)

Line No.	(a) RESIDENTIAL			(f) FIRM COMMERCIAL			(j) FIRM INDUSTRIAL			(k)	(l)	
	Number Of Bills	Mcf	Rate	Total Revenue	Number Of Bills	Mcf	Rate	Total Revenue	Number Of Bills			Mcf
1	0		\$5.10	\$0	(119)		\$13.60	(\$1,618)	190		\$13.60	\$2,584
2					0		45.00	0	296		45.00	13,320
3												0
4		0	1.0615	0	(32,338)	1.0615	(34,327)		(47,225)	1.0615		(50,129)
5		0	0.5585	0	(170,410)	0.5585	(95,174)		(403,366)	0.5585		(225,280)
6					0	0.4085	0		0	0.4085		0
7					0	1.0615	0		252	1.0615		267
8					0	0.5585	0		(24,009)	0.5585		(13,409)
9					0	0.4085	0		0	0.4085		0
10					0	1.0615	0		(1,500)	1.0615		(1,592)
11					0	0.5585	0		(64,563)	0.5585		(36,058)
12					0	0.4085	0		0	0.4085		0
13					0	1.0615	0		104,683	1.0615		111,121
14					0	0.5585	0		672,759	0.5585		375,736
15					0	0.4085	0		(310,532)	0.4085		(126,852)
16					(193)	1.1677	(225)		(11,446)	1.1677		(13,365)
17					0	0.6144	0		(25,410)	0.6144		(15,612)
18					0	0.4494	0		0	0.4494		0
19									1,714,106			54,610
20												
21	Total	0		\$0	(202,941)		(\$131,344)		1,603,749			\$75,341
22												
23					INTERRUPTIBLE COMMERCIAL			INTERRUPTIBLE INDUSTRIAL				
24					Number Of Bills	Mcf	Rate	Total Revenue	Number Of Bills	Mcf	Rate	Total Revenue
25					(16)		\$150.00	(\$2,400)	27		\$150.00	\$4,050
26	Total Bills						45.00	0	71		45.00	3,195
27	Transport. Bills											0
28	Parking Fees											0
29	Interrupt Sales: 1-15000					(7,174)	0.4936	(3,541)		(245,800)	0.4936	(121,327)
30	Interrupt Sales: Over 15000					0	0.3436	0		(127,603)	0.3436	(43,844)
31	Interrupt Transport: 1-15000					0	0.4936	0		(229,742)	0.4936	(113,401)
32	Interrupt Transport: Over 15000					0	0.3436	0		(58,376)	0.3436	(20,058)
33	Interrupt LVS: 1-15000					(75,895)	0.4936	(37,462)		(4,381)	0.4936	(2,162)
34	Interrupt LVS: Over 15000					0	0.3436	0		0	0.3436	0
35	Carriage: 1-15000					0	0.4936	0		479,546	0.4936	236,704
36	Carriage: Over 15000					0	0.3436	0		(860,790)	0.3436	(295,767)
37	T-3 Overrun 1-15,000					(787)	0.5430	(427)		(140,229)	0.543	(76,144)
38	T-3 Overrun Over 15,000					0	0.3780	0		0	0.378	0
39	Special Contracts (Confidential)									(1,612,376)		(289,507)
40												
41	TOTAL					(83,856)		(\$43,830)		(2,799,751)		(\$718,261)
42	Special Contract Renegotiations (Discount from Current Rates - See GLS-1, Sh 2-4)											(1,058,302)
43												
44	GRAND TOTAL									(1,482,799)		(\$1,876,396)

EXHIBIT GLS-7  
Schedule 1 of 4  
(REVISED-10/7/99)

Western Kentucky Gas Company  
Summary of Revenue at Proposed Rates  
Test Year Ending 12/31/2008

Line No.	Description	Block (Mcf)	Reference Period - Twelve Months Ending 9/30/98				Forward-looking Adjustments To Test Year		Total Test Year Volumes	Proposed Margin	Proposed Revenue	
			Number of Bills, Units	Volumes As Metered	Contract Adj. Bills and Volumes	Weather Adj. Volumes	Total Volumes	Customer Growth Forecast				Conservation & Efficiency Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	<u>Sales</u>											
2	Firm Sales (G-1, LVS-1)	Customer Chrg	1,855,928					45,900			\$9.00	\$17,116,452
3		Customer Chrg	231,782		71			6,210			\$24.00	5,713,512
4		0 - 300		18,553,788	(81,063)	1,079,624	19,552,349	481,208	(735,061)	19,298,496	1.2000	23,158,195
5		301 - 15,000		2,498,766	(638,339)	85,954	1,946,381	28,892	(20,410)	1,954,863	0.6946	1,357,848
6		Over 15,000		8,819	0	0	8,819	0	0	8,819	0.4299	3,791
7	Interruptible Sales (G-2, LVS-2)	Customer Chrg	414		(16)						250.00	99,500
8		0 - 15,000		1,406,428	(333,250)		1,073,178			1,073,178	0.5300	568,784
9		Over 15,000		376,956	(127,603)		249,353			249,353	0.3301	82,311
10	Overrun (T-4)	0 - 300		11,639	(11,639)		0			0	1.3200	0
11		301 - 15,000		25,410	(25,410)		0			0	0.7641	0
12		Over 15,000		0	0		0			0	0.4729	0
13	Overrun (T-3)	0 - 15,000		141,016	(141,016)		0			0	0.5830	0
14		Over 15,000		0	0		0			0	0.3631	0
15	<u>Transportation</u>											
16	Customer Charges (T2/G1)	Customer Chrg	{1}								24.00	
17	Customer Charges (T2/G2,T4,T3)	Customer Chrg	1,392		27						250.00	354,750
18	Transp. Adm. Fee	Customer Chrg	1,468		367						50.00	91,750
19	Parked Volumes {2}			526,520							0.10	52,652
20	Alternate Receipt Point (T-5) {2}									100,000	0.10	10,000
21	Firm Transport (G-1)	0 - 300		30,455	252		30,707			30,707	1.2000	36,848
22		301 - 15,000		500,929	(24,009)		476,920			476,920	0.6946	331,269
23		Over 15,000		78,311	0		78,311			78,311	0.4299	33,666
24	Interruptible Transport (G-2)	0 - 15,000		786,564	(229,742)		556,822			556,822	0.5300	295,116
25		Over 15,000		148,134	(58,376)		89,758			89,758	0.3301	29,629
26	Firm Carriage (T-4)	0 - 300		168,705	104,683		273,388			273,388	1.2000	328,066
27		301 - 15,000		2,680,003	672,759		3,352,762			3,352,762	0.6946	2,328,828
28		Over 15,000		531,549	(310,532)		221,017			221,017	0.4299	95,015
29	Interruptible Carriage (T-3)	0 - 15,000		4,177,009	479,546		4,656,555			4,656,555	0.5300	2,467,974
30		Over 15,000		3,493,877	(860,790)		2,633,087			2,633,087	0.3301	869,182
31	Total Special Contracts {3}		156	13,230,373	101,730		13,332,103			13,332,103		1,692,428
32	Total Tariff		2,091,140	48,848,731	(1,482,799)	1,165,378	48,331,510	510,100	(755,471)	48,286,139		57,117,566
33	Additional Contract Reformation {4}											(1,121,442)
34	Other Revenue											1,176,139
35												
36	Total Revenue, excluding gas costs										\$	57,172,263
37												
38	Gas Costs											77,522,158
39	TOTAL REVENUE										\$	134,694,421
40												

41 [1] Number of Bills included in G-1 Sales.

42 [2] Parked Volumes and Alternate Receipt Point Volumes not included in Total Deliveries.

43 [3] Information on individual Special Contracts is confidential.

44 [4] Discount from proposed tariff rates. Based on confidential information. See Confidential Exhibit GLS-7, Schedules 2-4 of 4.









Western Kentucky Gas Company  
Case No. 99-070  
REVENUE STATISTICS - Total Company  
For the TEST YEAR ending December 31, 2000

FR 10(10)n  
Schedule 2 of 2  
REVISED - 10/07/99

Line No.	Description	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Total
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Revenue by Customer Class (000's)													
2														
3	Residential Sales	\$ 12,779	\$ 10,327	\$ 7,772	\$ 4,450	\$ 2,825	\$ 1,865	\$ 1,848	\$ 1,842	\$ 2,132	\$ 4,210	\$ 7,283	\$ 11,016	\$ 68,349
4	Commercial Sales	4,985	3,978	3,110	1,886	1,222	848	859	828	931	1,762	2,931	4,401	27,741
5	Industrial Sales	1,188	1,033	854	643	550	501	503	500	515	653	845	1,079	8,864
6	Public Authority Sales	1,355	1,067	816	457	280	176	173	172	202	426	755	1,162	7,041
7	Unbilled	-	-	-	-	-	-	-	-	-	-	-	-	-
8														
9	Total Sales	20,307	16,405	12,552	7,436	4,877	3,390	3,383	3,342	3,780	7,051	11,814	17,658	111,995
10														
11	Transportation	808	756	697	624	583	561	561	561	568	619	687	772	7,797
12	Other Revenue	61	66	62	55	50	48	47	50	59	70	109	78	755
13														
14	Total Operating Revenues	21,176	17,227	13,311	8,115	5,510	3,999	3,991	3,953	4,407	7,740	12,610	18,508	120,547
15	Purchase Gas Costs	14,996	11,919	8,922	4,962	2,993	1,860	1,863	1,832	2,169	4,699	8,386	12,922	77,523
16														
17	Gross Profit	6,180	5,308	4,389	3,153	2,517	2,139	2,128	2,121	2,238	3,041	4,224	5,586	43,024
18														
19														
20	Mcf by Customer Class (000's)													
21														
22	Residential Sales	2,632	2,123	1,556	820	453	234	231	230	297	766	1,435	2,250	13,027
23	Commercial Sales	1,069	856	659	384	227	138	142	134	159	354	612	941	5,675
24	Industrial Sales	300	267	225	176	152	138	138	137	142	177	221	276	2,349
25	Public Authority Sales	299	238	181	100	59	35	34	34	41	93	166	256	1,536
26	Unbilled	-	-	-	-	-	-	-	-	-	-	-	-	-
27														
28	Total Sales	4,300	3,484	2,621	1,480	891	545	545	535	639	1,390	2,434	3,723	22,587
29														
30	Transportation	2,385	2,305	2,215	2,103	2,039	2,005	2,005	2,005	2,015	2,095	2,199	2,330	25,701
31														
32	Total Deliveries	6,685	5,789	4,836	3,583	2,930	2,550	2,550	2,540	2,654	3,485	4,633	6,053	48,288

Revised 10/07/99\*

**Western Kentucky Gas Company  
Case No. 99-070  
KPSC Data Request #2 Dated August 19, 1999  
DR Item 47, a, c  
Witness: Gary Smith**

**Data Request:**

Refer to Exhibits GLS-1 and GLS-7 in the Direct Testimony of Gary L. Smith.

- a. Explain the increase of \$84,884 in the negative revenue adjustment for "additional contract reformation" as shown on line 33 of the two exhibits. Provide any necessary calculations.
- c. Provide a breakdown, by customer, of the adjusted volumes of 13,332,103 Mcf and revenues of \$1,692,428 for "Total Special Contracts." This does not require identifying customers. Reference to Customer No. 1, No. 2, etc will suffice.

**Response:**

The response to part (c) of this request is filed under a petition for confidentiality due to the necessity of revealing the affected volume and/or discount level for purposes of these computations.

- a. The calculation is shown on Schedule DR-47(a) attached hereto.
- c. The calculation is shown on Schedule DR-47(c) attached hereto.

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\* - Calculation included on Schedule DR-47(a) is updated to reflect changes associated with "Additional Contract Reformations", based on supplemental information presented by Western on 10/07/99.

DR Item 47 (a)  
Revised 10/07/99\*

Western Kentucky Gas Company  
Case No. 99-070  
KPSC Data Request #2 Dated August 19, 1999  
DR Item 47 (a)  
Witness: Gary Smith

Response:

Western, on line 33 of Exhibit GLS-1 (Schedule 1 of 4, Revised - 10/07/99), includes an adjustment for "Additional Contract Reformatations" of \$1,058,302 below those revenues calculated on lines 1-32, at present tariff rates. Included in this adjustment are five customers who utilized tariff service during the reference period - whose volumes appear in the applicable tariff margin category.

On line 33 of Exhibit GLS-7 (Schedule 1 of 4, Revised - 10/07/99), the adjustment for "Additional Contract Reformatations" required recalculation to state the level of discount below the revenues calculated on lines 1-32, at proposed tariff rates. The volumes for those five tariff customers, by margin block, is shown below. Also shown is the calculation of the additional \$63,140 discount, when comparing to proposed versus present tariff margin structures.

Line No.	Tariff Volumes Affected	Tariff Margins per Mcf			Change in Tariff Revenue Basis (Col b x Col e)	
		Present	Proposed	Change (Col d - Col e)		
(a)	(b)	(c)	(d)	(e)	(f)	
1	<u>Firm Service Volumes:</u>					
2	<i>(G-1, LVS-1, T-2/G-1, T-4)</i>					
3	First 300 Mcf/month	14,400	1.0615	1.2000	0.1385	1,994
4	Next 14,700 Mcf/month	416,652	0.5585	0.6946	0.1361	56,706
5	Over 15,000 Mcf/month	68,170	0.4085	0.4299	0.0214	1,459
6						
7	<u>Interruptible Service Volumes:</u>					
8	<i>(G-2, LVS-2, T-2/G-2, T-3)</i>					
9	First 15,000 Mcf/month	633,648	0.4936	0.5300	0.0364	23,065
10	Over 15,000 Mcf/month	1,487,695	0.3436	0.3301	(0.0135)	(20,084)
11						
12	Total					<u>\$ 63,140</u>

\* Revision based upon special contracts filed by the Company on October 7, 1999.

**Western Kentucky Gas Company**  
**Case No. 99-070**  
**KPSC Data Request #2 Dated August 19, 1999**  
**DR Item 52 b-d**  
**Witness: Gary Smith**

column (f) of Exhibit GLS-1, and in the response to this, the KPSC's second Data Request, Item 47 a, Western identified 2,620,565 Mcf served under tariff rates in fiscal year 1998, but expected to be under special contract rates in the test year of 2000. Thus, the test year includes a total of 15,952,668 Mcf under special contract rates. This represents 57% of Western's total industrial sales and transportation deliveries during the test year.

One difficulty in assessing Western's test year volumes vulnerable to physical bypass is that competitive conditions can change. For example, individual customers, whose current consumption alone would not appear to warrant their investment in bypass facilities, could unexpectedly join forces with neighboring industries to economically justify shared facilities.

Regardless, however, of Western's inability to quantify this vulnerability, it is our belief that, under current market conditions and transportation rate schedules, the volumetric risk for bypass threats among tariff customers is much less than those volumes already served by Western under special contracts.

- c. It is not Western's intent that the proposed Margin Loss Recovery ("MLR") Rider would result in the immediate loss described in this question. Western's intent is to define the factor NGPM, the "normally applicable distribution charge" (reference Original Sheet 29L of Western's proposed tariff) as the rate schedule applicable to a specific customer in the test year of this Case. Prior to recovery of losses through the MLR, it would be Western's responsibility to provide necessary documentation to the Commission to support the NGPM, as included in the test year for a specific customer.

Please refer to Western's responses to the First Attorney General Data Request, dated August 19, 1999, Items 112 and 159 for various examples of the calculation of losses recoverable through the proposed MLR.

- d. Please refer to the responses to sub-parts (b) and (c) of this data request Item.

**REVISED - 10/07/99\***

**Western Kentucky Gas Company  
Case No. 99-070  
KPSC Data Request #3 Dated September 20, 1999  
DR Item 9  
Witness: Gary Smith**

**Data Request:**

Refer to the response to Item 52 of the Commission's August 19, 1999 Order and Exhibits GLS-2 and GLS-3 of the Direct Testimony of Gary L. Smith.

- a. Part (b) of the response identifies 16,113,322 Mcf as being under special contract and indicates this amount represents 57 percent of Western's total industrial sales and transportation deliveries during the test year. Identify, in Exhibits GLS-2 and GLS-3, the Mcf levels that, when summed, produce the total industrial sales and transportation deliveries that were used as the denominator to derive the result of 57 percent.
- b. Refer to the response to part (a) of this request. Using the volumes included in that response, provide the amount of net revenues that would be generated under both existing rates and proposed rates and the calculations performed to derive these revenue amounts.

**Response:**

- a. The denominator in the referenced computation is the sum of Firm Industrial Sales and Transportation, per books, 8,803,129 Mcf (Exhibit GLS-2, Column j, Line 21) plus contract adjustments, 1,603,749 Mcf (Exhibit GLS-3, Column j, Line 21), plus weather adjustments (Exhibit GLS-4, Column j, Line 21), plus Interruptible Sales and Transportation, per books, 20,399,507 Mcf (Exhibit GLS-2, Column j, Line 41) plus contract adjustments, (2,799,751) Mcf (Exhibit GLS-3, Column j, Line 41). This sum, the total industrial sales and transportation volume, is 28,049,865 Mcf.
- b. Please refer to Exhibit KPSC #3 - DR Item 9(b), attached hereto, for the requested information.

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\*- Revenue calculation included on Exhibit KPSC #3 - DR Item 9(b) is updated to reflect changes associated with "Additional Contract Reformatations", based on supplemental information presented by Western on 10/07/99.

WESTERN KENTUCKY GAS COMPANY  
Case No. 99-070  
KPSC DR Dated September 20, 1999

EXHIBIT KSPC #3  
Item 9 (b)  
REVISED - 10/07/99

Line No.	Per Books (Ref GLS-2)		Contr. Adj. (Ref GLS-3)		Test Year Volumes (Per Book + Acontr. Adj.)		Existing Rates		Proposed Rates	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Number Of Bills	Mcf	Number Of Bills	Mcf	Number Of Bills	Mcf	Present Margin	Present Revenues	Proposed Margin	Proposed Revenues
<b>FIRM INDUSTRIAL</b>										
1	Total Firm Bills	2,770	190		2,960		13.60	40,236	24.00	71,040
2	Transport. Bills	713	296		1,009		45.00	45,405	50.00	50,450
3	Parking Fees (1)					1,780	0.10	178	0.10	178
4	Sales: 1-300 (2)					432,778	1.0615	459,393	1.2000	519,333
5	Sales: 301-15000 (2)					1,235,533	0.5585	464,766	0.6946	578,024
6	Sales: Over 15000					2,108	0.4085	861	0.4299	906
7	Trans: 1-300					30,455	1.0615	32,595	1.2000	36,848
8	Trans: 301-15000					500,929	0.5585	266,360	0.6946	331,269
9	Trans: Over 15000					78,311	0.4085	31,990	0.4299	33,666
10	LVS: 1-300					6,972	1.0615	5,809	1.2000	6,566
11	LVS: 301-15000					85,089	0.5585	11,464	0.6946	14,257
12	LVS: Over 15000					6,711	0.4085	2,741	0.4299	2,885
13	Carriage: 1-300					168,705	1.0615	290,201	1.2000	328,066
14	Carriage: 301-15000					2,680,003	0.5585	1,872,518	0.6946	2,228,828
15	Carriage: Over 15000					531,549	0.4085	90,285	0.4299	95,015
16	T-4 Overrun 1-300					11,446	1.1677	-	1.3200	-
17	T-4 Overrun 301-15,000					25,410	0.6144	-	0.7641	-
18	T-4 Overrun Over 15,000					0	0.4494	-	0.4729	-
19	Special Contracts (Confidential)					3,003,136		425,038		425,038
20	<b>TOTAL</b>	<b>8,846,360</b>	<b>1,603,749</b>		<b>10,450,109</b>		<b>4,039,860</b>	<b>4,822,370</b>		<b>4,822,370</b>
<b>INTERRUPTIBLE INDUSTRIAL</b>										
24	Total Bills	1,648	27		1,675		190.00	251,230	250.00	418,750
25	Transport. Bills	755	71		826		45.00	37,170	50.00	41,300
26	Parking Fees (1)					524,740	0.10	52,474	0.10	52,474
27	Alternate Receipt Point (3)								0.10	10,000
28	Interrupt Sales: 1-15000					899,934	0.4936	322,881	0.5300	346,691
29	Interrupt Sales: Over 15000					152,485	0.3436	8,549	0.3301	8,214
30	Interrupt Transport: 1-15000					786,564	0.4936	274,847	0.5300	295,116
31	Interrupt Transport: Over 15000					148,134	0.3436	30,841	0.3301	29,629
32	Interrupt LVS: 1-15000					149,567	0.4936	71,664	0.5300	76,949
33	Interrupt LVS: Over 15000					224,471	0.3436	77,128	0.3301	74,098
34	Carriage: 1-15000					4,177,009	0.4936	2,298,476	0.5300	2,467,974
35	Carriage: Over 15000					3,493,877	0.3436	904,729	0.3301	869,182
36	T-3 Overrun 1-15,000					140,229	0.5430	-	0.5830	-
37	T-3 Overrun Over 15,000					0	0.3780	-	0.3631	-
38	Special Contracts (Confidential)					10,227,237		1,267,391		1,267,391
39	<b>TOTAL</b>	<b>20,399,507</b>	<b>(2,799,751)</b>		<b>17,599,756</b>		<b>5,597,399</b>	<b>5,957,767</b>		<b>5,957,767</b>
41	Additional Contract Reforms (4)							(1,058,302)		(1,121,442)
43	<b>TOTAL Industrial</b>	<b>29,245,867</b>	<b>(1,196,002)</b>		<b>28,049,865</b>		<b>8,578,958</b>	<b>9,658,695</b>		<b>9,658,695</b>

45 (1) - Parked Volumes not included in Total Deliveries.  
46 (2) - Column b includes corresponding weather adjustment volumes from Exhibit GLS-4.  
47 (3) - Alternate Receipt Point proposed revenues based on 100,000 Mcf.  
48 (4) - Discount from current rates (Column h); Discount from proposed rates (Column j). Based on Confidential Information.



November 15, 1999

Ms. Helen Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

Re: Case 99-070

Dear Ms. Helton:

In correspondence to you dated October 6, 1999, Western provided updated information concerning "Additional Contract Reformatations" included in the Company's application, affected by the submittal of special contracts on that date. Western advised that one special contract was still being negotiated at that point, and that additional revisions could be necessitated depending on the outcome of the Company's negotiations with this customer. Western committed to provide additional information on this matter to the Commission by November 15, 1999.

We are pleased to inform you that the referenced customer subsequently accepted Western's proposal for continued transportation service, electing not to bypass the Company's system. Western has received an executed contract from the customer, and we plan to file the special contract with the Commission later this week.

As a result of the requirement that negotiated special contracts must be filed with the Commission, the revenue requirement filed with the application in Case 99-070 must be modified to reflect the changes in the rates contained in these agreements. Recognizing the effect of the revenues under the special contracts, Western has modified the following application schedules: Exhibits GLS-1, GLS-3, and GLS-7 (Testimony of Gary Smith at Volume 2 of 10, Tab 11), and FR 10(10)n - Schedule 2 of 2 (Volume 10, Tab 13). These changes also modify the responses to the following KPSC data requests: KPSC DR # 1-47(a) and KSPC #3-9. Updated data request responses are attached hereto.

If there are any questions about this matter or if additional information is needed, please contact me.

Sincerely yours,

John H. Hughes  
Attorney for Western Kentucky Gas Company

Western Kentucky Gas Company  
Summary of Revenue at Proposed Rates  
Twelve Months Ending 12/31/2000  
Additional Contract Reformation

CONFIDENTIAL  
EXHIBIT GLS-7  
Schedule 2 of 4  
(11/15/99)

Line No.	Description	Service Type	Reference Period - Twelve Months Ending 9/30/98				Proposed Margin	Proposed Revenue (Excluding Add'l Contr. Reformations)	Volumes Under Revised Agreement	Revised Margin	Proposed Revenue (Including Add'l Contr. Reformations)	Proposed Rev. Adjustment- Additional Contract Reformation
			Volumes As Metered	Contract Adj. Bills and Volumes	Weather Adj. Volumes	Total Volumes						
(a)	(b)	(c)	(d)	(f)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1												
2												
3	Customer A	Firm Carriage	23,250	(23,250)		-	0.2500	0				
4		Firm Carriage	68,070	1,680		69,750	0.2100	14,648	160,320	0.1200	19,238	
5		Firm Carriage	179,820	21,570		201,390	0.2000	40,278	110,820	0.1100	12,190	
6		Int. Carriage	55,764	(55,764)		-	0.1900	0				
7		Int. Carriage	130,831	(10,106)		120,725	0.1500	18,109				
8		Int. Carriage	436,249	(4,705)		431,544	0.1250	53,943				
9		Int. Carriage	-	-		-		0	552,269	0.1200	66,272	
10		Int. Carriage	436,030	147,963		583,993	0.1100	64,239	583,993	0.1100	64,239	
11						1,407,402		191,216	1,407,402		161,940	(29,276)
12												
13	Customer B	Firm Carriage	104,872			104,872	0.1000	10,487	-	0.1000		
14		Firm Carriage	626,427			626,427	0.0690	43,223	-	0.0690		
15		Firm Carriage	-			-	0.0470	0	731,299	0.0470	34,371	
16						731,299		53,711	731,299		34,371	(19,340)
17												
18	Customer C	Int. Carriage	500,433			500,433	0.1500	75,065	500,433	0.1000	50,043	
19		Int. Carriage						0	-	0.0830	0	
20						500,433		75,065	500,433		50,043	(25,022)
21												
22	Customer D	Int. Carriage	1,172,950	63,308		1,236,258	0.1800	222,526	1,236,258	0.0800	98,901	
23		Overrun [1]	3,308			-		0	0		0	
24						1,236,258		222,526	1,236,258		98,901	(123,626)
25												
26	Customer E	Int. Carriage	1,164,176	8,103		1,172,279	0.2200	257,901	1,172,279	0.0700	82,060	
27		Overrun [1]	8,103			-		0	0		0	
28						1,172,279		257,901	1,172,279		82,060	(175,842)
29												
30	Customer F	Int. Carriage	701,362	(180,000)		521,362	0.1600	83,418	521,362	0.1000	52,136	
31						521,362		83,418	521,362		52,136	(31,282)
32												
33	Customer G	Int. Carriage	206,474	339		206,813	0.3200	66,180	206,813	0.1700	35,158	
34		Overrun [1]	339			-		0	0		0	
35						206,813		66,180	206,813		35,158	(31,022)
36												
37												

38 [1] Overrun and Sales Volumes, as billed, included with tariff service volumes on Exhibit GLS-1, Volume 2 of 10, of the Application. Contract Adj. moves the Volumes to applicable special contract rate.

Western Kentucky Gas Company  
Summary of Revenue at Proposed Rates  
Twelve Months Ending 12/31/2000  
Additional Contract Reformation

CONFIDENTIAL  
EXHIBIT GLS-7  
Schedule 3 of 4  
(11/15/99)

Line No.	Description	Service Type	Reference Period - Twelve Months Ending 9/30/98				Proposed Margin	Proposed Revenue (Excluding Add'l Contr. Reformations)	Volumes Under Revised Agreement	Revised Margin	Proposed Revenue (Including Add'l Contr. Reformations)	Proposed Rev. Adjustment- Additional Contract Reformation
			Volumes As Metered	Contract Adj. Bills and Volumes	Weather Adj. Volumes	Total Volumes						
(a)	(b)	(c)	(d)	(f)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1												
2												
3	Customer H	Int. Carriage	155,964			0.3200	49,908	155,964	0.1700	26,514		
4					155,964		49,908	155,964		26,514	(23,395)	
5												
6	Customer I	Firm Carriage	3,600			1.2000	4,320	47,328	0.1000	4,733		
7		Firm Carriage	43,728			0.6946	30,373					
8		Int. Carriage	132,672			0.5300	70,316	1,068,477	0.1000	106,848		
9		Int. Carriage	1,020,419	(84,614)		0.3301	308,909					
10		Overrun [1]	11,386									
11					1,115,805		413,919	1,115,805		111,581	(302,338)	
12												
13	Customer J	Int. Sales	9,307			0.5300	4,933					
14		Int. Transp.	99,909			0.5300	52,952					
15		Int. Carriage	70,784			0.5300	37,516	360,000	0.3000	108,000		
16		Int. Carriage	436,289			0.3301	144,019	256,289	0.2200	56,384		
17					616,289		239,419	616,289		164,384	(75,035)	
18												
19	Customer K	Firm Carriage	3,600			1.2000	4,320					
20		Firm Carriage	176,400			0.6946	122,527	180,000	0.4900	88,200		
21		Firm Carriage	68,170			0.4299	29,306	68,170	0.3800	25,905		
22					248,170		156,154	248,170		114,105	(42,049)	
23												
24	Customer L	Int. Carriage	180,000			0.5300	95,400	209,457	0.3500	73,310		
25		Int. Carriage	26,944	2,513		0.3301	9,724	-	0.1500	0		
26		Overrun [1]	2,513				0	0		0		
27					209,457		105,124	209,457		73,310	(31,814)	
28												
29	Customer M	Firm Carriage	3,600			1.2000	4,320	104,669	0.4000	41,868		
30		Firm Carriage	101,069			0.6946	70,203					
31		Int. Carriage	75,331			0.5300	39,925	155,865	0.4000	62,346		
32		Int. Carriage	80,534			0.3301	26,584					
33					260,534		141,032	260,534		104,214	(36,819)	
34												
35												

36 [1] Overrun and Sales Volumes, as billed, included with tariff service volumes on Exhibit GLS-1, Volume 2 of 10, of the Application. Contract Adj. moves the Volumes to applicable special contract rate.

Western Kentucky Gas Company  
Summary of Revenue at Proposed Rates  
Twelve Months Ending 12/31/2000  
Additional Contract Reformation

CONFIDENTIAL  
EXHIBIT GLS-7  
Schedule 4 of 4  
(11/15/99)

Line No	Description	Service Type	Reference Period - Twelve Months Ending 9/30/98				Proposed Margin	Proposed Revenue (Excluding Add'l Contr. Reformations)	Volumes Under Revised Agreement	Revised Margin	Proposed Revenue (Including Add'l Contr. Reformations)	Proposed Rev. Adjustment- Additional Contract Reformation
			Volumes As Metered	Contract Adj. Bills and Volumes	Weather Adj. Volumes	Total Volumes						
	(a)	(b)	(c)	(d)	(f)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1												
2												
3	Customer N	Firm Sales	3,600			3,600	1.2000	4,320				
4		Firm Sales	95,455			95,455	0.6946	66,303				
5		Firm Carriage							99,055	0.3000	29,717	
6		Int. Sales	65,645			65,645	0.5300	34,792				
7		Int. Sales	5,610			5,610	0.3301	1,852				
8		Int. Carriage							71,255	0.3000	21,377	
9						170,310		107,267	170,310		51,093	(56,174)
10												
11	Customer O	Int. Carriage	836,260	9,522		845,782	0.1400	118,409	845,782	0.0500	42,289	
12		Int. Sales [1]	8,708									
13		Overrun [1]	814									
14						845,782		118,409	845,782		42,289	(76,120)
15												
16	<b>Additional Contract Reformation</b>					9,398,157		2,281,250	9,398,157		1,202,097	(1,079,153)
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	[1] Overrun and Sales Volumes, as billed, included with tariff service volumes on Exhibit GLS-1, Volume 2 of 10, of the Application. Contract Adj. moves the Volumes to applicable special contract rate.											

Adjustment to Revenue Projections: Bypass-Prompted Discounting

09/20/13

Customer	Annual Mcf [1]	Under Current Contract Rates Annual Margin (Excl. Base Charges)	Avg/Mcf	Estimated "Bypass-Neutral" Rate/Mcf	Contract Term Through	Proj. Min Rate/Mcf	Max. Adj. to Test Year	Proj. Max Rate/Mcf	Min. Adj. to Test Year	Proj. Impl. Date
<b>High Priority:</b>										
Philips Lighting	845,782	\$ 118,409	\$ 0.140	\$ 0.034	12/01/99	\$ 0.050	\$ 76,120	\$ 0.070	\$ 59,204	Dec-99
ISP Chemicals	1,172,279	\$ 257,901	\$ 0.220	\$ 0.072 [2]	10/01/00	\$ 0.070	\$ 175,841	\$ 0.070	\$ 175,841	Dec-99
Southwire	1,236,258 [3]	\$ 222,526	\$ 0.180	\$ 0.075	10/01/00	\$ 0.080	\$ 123,625	\$ 0.130	\$ 61,812	Jan-00
North Star Steel	521,362 [4]	\$ 83,814	\$ 0.161	\$ 0.182 [2]	10/01/01	\$ 0.070	\$ 47,319	\$ 0.120	\$ 21,251	Dec-99
Elf Atochem	1,115,805 [5]	\$ 415,273	\$ 0.372	\$ 0.077 [2]	02/01/98	\$ 0.030	\$ 381,799	\$ 0.100	\$ 303,693	Dec-99
General Tire	616,219	\$ 238,757	\$ 0.387	\$ 0.161	03/01/00	\$ 0.220	\$ 103,189	\$ 0.300	\$ 53,891	Dec-99
Emerson Electric	248,170	\$ 130,188	\$ 0.525	\$ 0.127	05/01/01	\$ 0.300	\$ 55,737	\$ 0.450	\$ 18,512	Jan-00
Dart Container	209,457	\$ 100,135	\$ 0.478	\$ 0.126	12/01/01	\$ 0.250	\$ 47,771	\$ 0.350	\$ 26,825	Jan-00
							\$ 1,011,401		\$ 721,029	
<b>Medium Priority:</b>										
R R Donnelley (Glasgow)	206,813	\$ 66,113	\$ 0.320	\$ 0.149	10/01/00	\$ 0.150	\$ 35,091	\$ 0.250	\$ 14,410	Jan-00
R R Donnelley (Danville)	155,964	\$ 49,908	\$ 0.320	\$ 0.193	10/01/00	\$ 0.150	\$ 26,513	\$ 0.250	\$ 10,917	Jan-00
Dana Axle ("Eaton")	211,836	\$ 21,184	\$ 0.100	\$ 0.091	06/01/01	\$ 0.090	\$ 2,119	\$ 0.090	\$ 2,119	Jan-00
Willamette	1,407,402 [6]	\$ 191,216	\$ 0.136	\$ 0.088	10/01/01	\$ 0.100	\$ 50,476	\$ 0.120	\$ 22,328	Dec-99
WorldSource Coil Coating	500,433	\$ 75,065	\$ 0.150	\$ 0.153	11/01/01	\$ 0.080	\$ 35,030	\$ 0.120	\$ 15,013	Jan-00
River Valley ("Hudson")	731,299	\$ 53,711	\$ 0.073	\$ 0.059	06/01/01	\$ 0.047	\$ 19,340	\$ 0.047	\$ 19,340	Dec-99
Alulstrom Filtration	260,534	\$ 125,123	\$ 0.480	\$ 0.190	11/01/00	\$ 0.300	\$ 46,963	\$ 0.480	\$ 67	Dec-99
Green River Steel	625,369 [7]	\$ 249,478	\$ 0.399	\$ 0.236	12/01/00					
SKW Alloys	170,310	\$ 91,463	\$ 0.537	\$ 0.315 [2]Est		\$ 0.200	\$ 57,401	\$ 0.300	\$ 40,370	Dec-99
SKF Bearing	160,654	\$ 90,558	\$ 0.564			\$ 0.400	\$ 26,296	Tariff Extension	\$ -	Jan-00
							\$ 299,229		\$ 124,564	
TOTAL	10,395,946	\$ 2,580,822					\$ 1,310,630		\$ 845,593	

- Notes: 1- Pro-forma FY 1998. Actual deliveries unless noted otherwise.  
 2- Affect of Texas Gas pipeline into Calvert City not considered in this analysis.  
 3- Includes pro-forma volume increase of 60,000 Mcfy.  
 4- Includes pro-forma volume decrease of 180,000 Mcfy.  
 5- Includes pro-forma volume decrease of 96,000 Mcfy.  
 6- Includes pro-forma volume increase of 48,000 Mcfy.  
 7- Includes pro-forma volume decrease of 300,000 Mcfy.

Average of High/ Low >>>

\$ 1,078,112

\$ 48,886

Past Adjustments to Revenue: Bypass-Prompted Discounting  
(Factors out impact of growth and rate case re-alignment)

<u>Customer</u>	<u>Annual Mcf [1]</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>Current Contract Date</u>	<u>Current Rate/Mcf</u>
Logan Aluminum	2,100,000	\$ 746,197	\$ 276,288	\$ 232,200	\$ 233,340	\$ 233,340	\$ 233,340	08/01/98	\$ 0.140
Commonwealth Aluminum	3,100,000	\$ 1,130,258	\$ 651,832	\$ 500,900	\$ 502,040	\$ 502,040	\$ 420,723	06/01/98	\$ 0.220
Phillips Lighting	750,000	\$ 120,000	\$ 120,000	\$ 108,500	\$ 107,340	\$ 107,340	\$ 107,340	12/01/99	\$ 0.180
ISP Chemicals	1,050,000	\$ 319,575	\$ 319,575	\$ 319,575	\$ 233,340	\$ 233,340	\$ 233,340	10/01/00	\$ 0.161
Southwire	1,030,000	\$ 365,525	\$ 365,525	\$ 365,525	\$ 187,740	\$ 187,740	\$ 187,740	10/01/00	\$ 0.372
R R Donnelley (Glasgow)	200,000	\$ 93,700	\$ 93,700	\$ 93,700	\$ 66,340	\$ 66,340	\$ 66,340	10/01/00	\$ 0.387
R R Donnelley (Danville)	160,000	\$ 77,600	\$ 77,600	\$ 77,600	\$ 53,540	\$ 53,540	\$ 53,540	10/01/00	\$ 0.525
Hudson Foods	500,000	\$ -	\$ -	\$ -	\$ 19,333	\$ 58,000	\$ 58,000	06/01/01	\$ 0.478
Eaton	200,000	\$ 101,929	\$ 101,929	\$ 101,929	\$ 75,204	\$ 22,340	\$ 22,340	06/01/01	\$ 0.100
Willamette*	910,000	\$ 361,593	\$ 361,593	\$ 361,593	\$ 362,733	\$ 199,355	\$ 199,355	10/01/01	\$ 0.136
North Star Steel*	800,000	\$ 303,080	\$ 303,080	\$ 303,080	\$ 304,220	\$ 130,340	\$ 130,340	10/01/01	\$ 0.150
ATR Wire*	160,000	\$ 91,315	\$ 91,315	\$ 91,315	\$ 93,511	\$ 26,340	\$ 26,340	10/01/01	\$ 0.073
WorldSource Coil Coating*	550,000	\$ 219,224	\$ 219,224	\$ 219,224	\$ 220,364	\$ 95,365	\$ 84,840	11/01/01	\$ 0.480