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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC. FOR AN ADJUSTMENT OF RATES FOR GAS SERVICE	)))	Case No. 2009-00141

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Columbia Gas of Kentucky [hereinafter referred to as "CGK"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for CGK with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(11) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or

transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(12) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL

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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. Stephen B. Seiple
Columbia Gas of Kentucky, Inc.
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Hon. Iris G Skidmore
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this 2nd day of June, 2009

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Assistant Attorney General

COLUMBIA GAS COMPANY
CASE NO. 2009-00141
Requests for Information of the Attorney General to Columbia Gas Company

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1. Workpaper WPD-2-4 contains a page showing the December 31, 2008 monthly and cumulative annual totals for certain detailed expense accounts and sub-accounts. Please provide the complete December 2008 expense report from which this page came, showing similar details for all of the Company's operating expenses.

2. In the same format and detail as shown on Schedule C-2.1, column (1) ["unadjusted total utility"],[1] please provide schedules showing a side-by-side comparison of the actual "Operating Revenues and Expenses by Accounts" for calendar years 2008, 2007, 2006, 2005 and 2004

3. Please provide Columbia Gas of Kentucky's (hereafter known as CGK or the Company) balance sheets for each of the months of 2009 through April and continue to provide these monthly reports as more actual data becomes available.

4. Please provide copies of CGK's annual report for the year 2008 that is on file with the Commission.

5. With regard to the short-term debt balance and cost reflected by the Company in this case, please provide the following information:

    a. Attachment PRM-5 indicates that the 13-month average ST debt balance for the test year was $9,861,432. Please provide each of the 13 monthly test year balances. In addition, provide the equivalent monthly ST debt balances for 2006 and 2007 and for each of the available months in 2009.
    b. Please expand Schedule J-2 by providing the actual cost of ST debt for each month of the test year and for each month after the test year through April 2009.

6. As shown on Schedule B-3.1, the Company has not proposed to adjust its actual test year-end accumulated depreciation reserve balance with the $2,353,180 difference between the actual test year depreciation expenses and pro forma annualized/normalized depreciation expenses. In this regard, please provide the following information:

    a. Confirm the above facts. If you do not agree, explain your disagreement.
    b. Confirm that the Company's position is inconsistent with well-established and long-standing Commission ratemaking policy.[2]

7. The Company has calculated pro forma annualized depreciation expenses of $7,924,661 based on the application of Mr. Spanos' proposed new depreciation rates to the actual test year-end depreciable plant in service balances, as well as pro forma annualized

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[1] Similar to the response to AG-1-2 in Case No. 2007-00008.
[2] For example, see page 5 of the PSC Order in Case No. 2004-00067; pages 14 and 15 of the PSC Order in Case No. 2001-00092; page 18 of the PSC Order in Case No. 2000-080; and pages 3 and 4 of the PSC Order in Case No. 92-346.

depreciation expenses of $29,477 based on the application of Mr. Spanos' proposed new depreciation rates to certain actual test year-end CWIP balances. Please provide the equivalent annualized deprecation expense amounts calculated by the application of the *currently existing* depreciation rates to the test year-end depreciable plant in service balances and to the test year-end CWIP balances.

8. With regard to Schedule B-3.2, please provide the following information:

   a. The following accounts appear to be fully depreciation as of test year-end. Explain the rationale for requesting rate relief for these expenses:
      1. Account 375.20 (expense of $128)
      2. Account 375.30 (expense of $264)
      3. Account 378.10 (expense of $7,156)
      4. Account 379.10 (expense of $2,258)
      5. Account 392.21 (expense of $146).
   b. The following accounts have negative depreciation reserve accounts as of 12/31/08 with positive associated depreciation expenses. Explain why the reflection of the associated positive depreciation expenses should appropriately be recognized for ratemaking purposes:
      1. Account 387.20 (expense of $25,369)
      2. Account 391.11 (expense of $6,469)
   c. The unamortized balance as of 12/31/08 for Account 391.12 is $8,724 ($269,714 - $260,990), yet the proposed pro forma annual depreciation expense is $33,983. Please explain why the depreciation expense is not limited to the remaining unamortized balance of $8,724.

9. With regard to CWIP/AFUDC, please provide the following information:

   a. Company policies regarding the accrual of AFUDC, e.g., on what type of properties is AFUDC accrued or not accrued and why.
   b. Current AFUDC accrual rate, as well as the basis for this rate and the components making up this rate.
   c. AFUDC booked in the test year associated with the average test year CWIP balance.
   d. What would be the annualized AFUDC associated with the 12/31/08 CWIP balance of $1,215,549 claimed in rate base in this case? Show calculations.

10. Please reconcile the CWC amount of $3,781,941 on Schedule B-5 to the CWC amount of $3,800,230 on Schedule B-5.2 and Schedule B-1, line 7.

11. With regard to Gas Stored Underground, please provide the following information:

    a. Provide the actual monthly per books Gas Stored Underground balances and the corresponding 13-month average balances for the years 2005, 2006, 2007, for the test year 2008, and for each 2009 month through April. In addition, for each of the monthly balances from 2005 through April 2009, provide the monthly Gas Stored Underground volume (in Dth) and the applicable actual average monthly gas price per Dth which, when applied to the monthly Dth volume, result in the monthly per books Gas Stored Underground balance. Also, for each year, provide the 13-month average Dth volume and 13-month average price per Dth.

b. Confirm that in the Company's prior case (reference WPB-5.1, sheet 3 in the prior case filing – Case No. 2007-00008), the Company proposed to base its claimed Gas Stored Underground balance in rate base on the 13-month average of its per books monthly balances for the test year in that case.

c. In the Company's rate case prior to Case No. 2007-00008, was the Company's claimed rate base balance for Gas Stored Underground also based on the average of the monthly per books gas storage balances in the test year in that case? If not, describe the derivation of the proposed Gas Stored Underground balance in that case.

12. Please provide the actual unit cost of gas CGK has experienced for each month from January 2005 through April 2009.

13. With regard to WPB-5.1, sheet 4, please provide the following information:

    a. From the Company's monthly balance sheets for the test year, the AG has calculated a 13-month average monthly per books test year Gas Stored Underground balance of $37,585,482. Please reconcile this with the 13-month average balance of $32,765,395 shown on sheet 4.
    b. Reconcile the negative balances of ($4,560,615), ($24,046,859), ($16,245,288), and ($757,948) shown for the months of February through May 2008 versus the corresponding per books balances of $4,586,100, $1,421,542, $3,002,564, and $8,040,200 reported in the Company's monthly balance sheets.

14. Using the same cost averaging method as shown for the test year on WPB-5.1 (13-month average Dth volume times actual unit cost rate as of October), show what would be the average balances for each of the years 2005, 2006 and 2007 as calculated in accordance with this cost averaging method.

15. In this filing, the Company has reduced its 12/31/08 plant in service with a 12/31/08 customer advances balance of $1,449,153. In addition, the Company has reflected a separate rate base deduction of $130,111 for 12/31/08 customer advances. Together, these two rate base deductions add to $1,579,264. Please reconcile this with the total 12/31/08 customer advances balance of $1,675,318 shown in the Company's December 2008 balance sheet.

16. Schedule B-6, lines 7 and 8 shows that the Company has proposed to increase its rate base with prepaid ADIT balances of $2,787,339 and $508,329 associated with the LIFO

accounting method for the Company's Gas Stored Underground balance. The Company has proposed to increase its Gas Stored Underground balance on a pro forma basis by a significant amount to $48.2 million by assuming an average rate gas inventory pricing method rather than a LIFO rate pricing method. In this regard, please provide the following information:

a. Given the above facts, why would it still be appropriate to add the referenced LIFO pricing related ADIT balances to rate base?
b. How would the Company's proposed Gas Stored Underground pricing mechanism impact the Company's test year per books ADIT balance? Please provide all calculations and assumptions.

17. The Company's actual 12/31/08 Account 253 – Other Deferred Credit balance amounts to $1,919,267. Please provide each component making up this balance and explain why these components should not be used as a rate base deduction in this case.

18. With regard to Account 228.2 – I&D Reserve, please provide the following information:

a. During the test year, this balance has averaged around $5.8 million per month and increased to about $14 million in December 2008. Please explain the accounting process that generates these balances (e.g., is the balance built up through accruals and reduced by actual cash outlays for I&D expenses), and explain the large increase in the month of December 2008.
b. Provide the average Account 228.2 – I&D Reserve balances for each of the years 2005, 2006 and 2007 and provide the monthly balances for 2009.
c. Are the Company's Account 228.2 – I&D Reserve balances funded by accruals for which the Company receives rates from the ratepayers? If not, explain why not.

19. With regard to the Company's proposed pro forma test year property taxes of $2,051,056 shown on Schedule D-2.11, please provide the following information:

a. Provide the actual property tax credits booked by the Company as a result of successful property tax valuation protests in each of the last 5 years. In addition, indicate to which tax years these tax credits applied.
b. Explain the process of these property tax valuations; whether the Company files such tax valuation protests on an annual basis; and whether the Company has protested its property tax valuation for the test year.
c. Provide the most recent available annual property tax assessment for the Company by the Kentucky Department of Revenue and explain whether this assessment is an initial assessment that can still be protested or whether it represents a final assessment that has been adjusted for any protests.

20. Please reconcile the "Schedule D Adjustments" Federal and State Income Taxes of ($3,338,874) and ($572,422) on Schedule C-2, lines 15 and 16 to the corresponding

"Schedule D Adjustments" Federal and State Income Taxes of ($1,728,571) and ($315,241) on Schedule D-1, Sheet 2, lines 30 and 31.

21. Concerning CGK's federal income taxes, please provide the following information:

    a. Does CGK participate in the filing of a consolidated federal income tax return?
    b. If so, identify the entity that files the return on behalf of CGK and other participants.
    c. If so, in what year did CGK begin filing its federal income tax return as part of a consolidated tax return?
    d. Please provide the taxable income or tax losses experienced for each member in the consolidated income tax group during each of the years 2003 through 2007. In addition, separate these participating group members as regulated versus non-regulated entities.

22. Please provide the actual Account 487 – Forfeited Discounts and Account 488 – Miscellaneous Service Revenues for each of the years 2004 through 2008.

23. With regard to Attachment JMC-2, please provide the actual number of reconnect occurrences for each of the years 2004 through 2008.

24. With regard to Schedule D-2.1, Sheet 3, please provide the following information:

    a. Breakout of adjusted and per books Other Gas Department revenues of $683,915 and $16,545,195, respectively, by revenue component (sales for resale, forfeited discounts, miscellaneous service, non-traditional sales, and other gas revenues).
    b. With regard to the Other Gas Revenues (last revenue category referenced in part (a) above), provide the actual Other Gas Revenues for each year from 2004 through 2008 and provide the basis for the adjusted revenue amount claimed in this case. In addition, to the extent that there are gas costs included in the filing associated with these revenues, provide the amount of these gas costs.
    c. If the adjusted total revenue amount of $683,915 does not include sales for resale revenues, please indicate where (filing schedule) the adjusted pro forma sales for resale revenue amount is included.
    d. Please provide the basis for the sales for resale revenues of $211,101 claimed in this case. In addition, to the extent that there are gas costs included in the filing associated with these revenues, provide the amount of these gas costs.

25. With regard to Ms. Efland's testimony page 4, lines 15 – 22, please indicate what the impact would be on the pro forma test year sales volume and the associated pro forma test year net revenues (revenues net of associated gas costs) by using 63 degrees (residential) and 64 degrees (commercial) as the reference points for HDD rather than 65 degrees for both customer classes.

26. In the prior case, the Company switched the reference point for HDD in its proposed weather normalization adjustment from 65 degrees to 63 degrees (residential) and 64 degrees (commercial). In the current case, the Company is switching back from 63 degrees (residential) and 64 degrees (commercial) to 65 degrees. Please explain the reasons for this back-and-forth switching of HDD reference points.

27. Please indicate what the impact would be on the pro forma test year sales volume and the associated pro forma test year net revenues (revenues net of associated gas costs) if the Company had assumed normal weather to be the 25-year average of 1984 – 2008 rather than the 20-year period 1989-2008 with 65 degrees as the reference point for HDDs.

28. Please indicate what the impact would be on the pro forma test year sales volume and the associated pro forma test year net revenues (revenues net of associated gas costs) if the Company had assumed normal weather to be the 25-year average of 1984 – 2008 rather than the 20-year period 1989-2008 with 63 degrees (residential) and 64 degrees (commercial) as the reference points for HDDs.

29. Please indicate what the impact would be on the pro forma test year sales volume and the associated pro forma test year net revenues (revenues net of associated gas costs) if the Company had assumed normal weather to be the 30-year average of 1979 – 2008 rather than the 20-year period 1989-2008 with 65 degrees as the reference point for HDDs.

30. Please indicate what the impact would be on the pro forma test year sales volume and the associated pro forma test year net revenues (revenues net of associated gas costs) if the Company had assumed normal weather to be the 30-year average of 1979 – 2008 rather than the 20-year period 1989-2008 with 63 degrees (residential) and 64 degrees (commercial) as the reference points for HDDs.

31. Please provide the KPSC assessment rate currently in effect and the rate expected to be in effect on July 1, 2009. In addition, provide the basis for the latter rate.

32. The Company's proposed uncollectible accrual rate of 1.410552% for its residential revenues is the actual rate experienced in the 2008 test year. In this case, the Company has proposed a 5% Late Payment Fee for its residential customers and the impact of this proposed Late Payment Fee is not reflected in the actual 2008 uncollectible ratio of 1.410552%. In this regard, please provide the following information:

    a. Confirm the above facts. If you do not agree, explain your disagreement.
    b. Provide the Company's best estimate of the impact that the proposed Late Payment Fee will have on the claimed uncollectible ratio of 1.410552%

33. Please provide the actual uncollectible expenses booked in account 904 for each of the years 2004 through the test year.

34. For the test year and each of the years 2004, 2005, 2006 and 2007 (all actual data), please provide the following information regarding uncollectible data:

    a. Reserve account balance at beginning of year.
    b. Charges to the reserve account.
    c. Credits to the reserve account.
    d. Current year provision (accrual). In addition, reconcile these accruals to the actual per books account 904 uncollectible expenses to be provided in response to the prior data request.
    e. Reserve account balance at end of year.
    f. Total revenues subject to uncollectibles (<u>in addition, indicate the customer class making up these revenues subject to uncollectibles, e.g., residential, commercial, public authority, etc.)</u>
    g. Percent of provision (accrual) to total revenue (line d / line f)

35. With regard to the uncollectible expense data shown on Schedule D-2.1, please provide the following information:

    a. Basis for and all calculations underlying the accrual rate of 1.410552%.
    b. Equivalent actual accrual rates for each of the 5 years prior to the test year, including the calculations for these rates.
    c. Reconciliation between the actual test year per books uncollectible expense of $1,371,336 and the actual test year per books uncollectible expense of $2,451,089 shown on Schedule C-2.1, sheet 2, line 60. In addition, provide a dollar amount breakout of the specific components of the difference of $1,079,753.
    d. Explanation as to why the adjustment is calculated for the residential revenues only.

36. In the same format as per Schedule D-2.1, sheet 5 of 6, lines 1 through 12, provide the following information:

    a. Calculations of what the uncollectible expense adjustments would be for the Company's commercial and, separately, for the Company's industrial customers.
    b. Provide the actual uncollectible ratios (equivalent to the ratio of 1.410552% for the residential revenues) for the commercial revenues and, separately, for the industrial customers for each of the years 2004 through 2008.

37. The Company's unadjusted test year uncollectible expenses amount to $2,451,089 which has been adjusted by ($31,301) for a total adjusted uncollectible expense amount of $2,419,788. In this regard, please provide the following information:

    a. Confirm the above facts. If you do not agree, explain your disagreement.
    b. What portion of the adjusted balance of $2,419,788 represents uncollectible expenses associated with the commodity cost of gas? Also, provide assumptions and calculations made in the derivation of this expense portion.

c. How would the adjusted test year expense of $2,419,089 be impacted by Mr. Balmert's proposal to collect the uncollectible expenses associated with the commodity cost of gas through a separate surcharge rather than through base rates? Please provide all assumptions and calculations in the derivation of this impact.
d. Why hasn't the Company proposed an uncollectible expense adjustment in this case to reflect Mr. Balmert's proposal?

38. With regard to WPD 2.2, Sheet 6, please provide the actual overtime hours , overtime pay, and premium pay for each of the years 2004 through 2008.

39. In the same format and detail as per WPD-2.2, sheet 7, please provide the actual Direct O&M Percentage (equivalent to the actual test year percentage of 72.464%) and Indirect O&M Percentage (equivalent to the actual test year percentage of 70.940%) for each of the years 2004 through 2008.

40. Please provide the effective dates of the 3% rate increases for the clerical and exempt employees on WPD 2.2.

41. Please provide the actual number of employees (in total and as broken out by employee category) for each of the months from January 2006 through May 2009.

42. Please provide filing requirement Schedule G-1 (details about the test year payroll cost, employee benefits and payroll taxes) and Schedule G-2 (payroll analysis data for the test year as compared to the 5 years prior to the test year regarding man hours, labor dollars, employee benefits, payroll taxes and employee levels). [Note: while the Company claims that this filing requirement information is not a requirement of an historic test period filing, the AG is seeking this same information through this request for information].

43. With regard to WPD 2.2, sheet 10, please provide the following information:

    a. Explain what represents the "indirect payroll from affiliate" and which affiliate this represents.
    b. Explain why this is reflected separately from the NiSource Corporate Service costs allocated to CGK on Schedule D-2.8 and why this does not represent an expense double-count.
    c. Explain why these indirect payroll expenses were not included in the Company's prior case labor expense adjustment on WPD-2.2.
    d. Actual source documentation in support of the 2008 expense amount of $789,532.
    e. Actual indirect payroll from affiliates, in the same format and detail as per WPD 2.2, sheet 10, for each of the years 2004 through 2007.

44. Please explain the out-of-period adjustment to the test year incentive compensation expense discussed on page 14, lines 13 – 14 of Mr. Racher's testimony. In addition,

explain why the actual test year CIP incentive compensation expenses of $424,603 are so much higher than the proposed pro forma expense level of $203,280.

45. With regard to the CIP incentive compensation program and the Profit Sharing program offered to the employees of Columbia Gas of Kentucky, please provide the following information:

    a. Management summary of the CIP program and, separately, of the Profit Sharing program. These management summaries should include descriptions of the type and level and employees that may participate in these programs, as well as the type of performance goals that must be achieved in order to receive incentive compensation from the two programs.
    b. Copies of all internal Company documents describing the CIP program and the Profit Sharing program.
    c. Actual CIP incentive compensation expenses and, separately, Profit Sharing program expenses booked by the Company in each of the years 2004 through 2007, in the test year, and in the pro forma adjusted test year.
    d. Percentage and dollar portion of CIP incentive compensation expenses of $203,280 and Profit Sharing program expenses of $29,892 claimed for the pro forma adjusted test year in this case that are a function of the achievement of corporate financial performance goals. In addition, describe these financial performance goals.

46. With regard to WPD-2.3, sheet 1, please provide the following information:

    a. Explanation of the derivation and basis of the pro forma CIP incentive accrual of $203,280 and the pro forma Profit Sharing program expenses of $29,892.
    b. Equivalent CIP incentive accrual and Profit Sharing program expense included in the approved 2009 budget.
    c. The pro forma CIP incentive accrual of $203,280 and the pro forma Profit Sharing program expenses of $29,892 represent O&M expense amounts. Please provide the costs prior to capitalization, the capitalized costs and the resulting O&M expense ratio that resulted in the expense amounts of $203,280 and $29,892.

47. With regard to WPD 2.4, sheet 2, please provide the following information:

    a. What is the source of the information shown on sheet 2?
    b. Provide the 2009 pension and OPEB expenses in accordance with the 2009 actuary reports. In addition, provide copies of these actuary reports and indicate where the numbers for CGK can be found in these reports.
    c. If the 2009 actuary reports are not yet available, indicate when they will become available and provide CGK's pension and OPEB costs as included in the actuary's most recent available actuary reports. Also, provide copies of these most recent available actuary reports and indicate where the numbers for CGK can be found in these reports.

48. Please reconcile the following employee benefit expenses included in the 2009 budget in Volume 5, FR #7-d and as shown in WPD 2.4, sheet 2: Medical FAS 106 $423,000 vs. $705,000; OPEB Life ($74,000) vs. $6,000; Pension $1,173,000 vs. $1,313,000; and Pension Transfer ($293,000) vs. ($361,548).

49. Please reconcile the OPEB expense numbers for 2008 and 2009 shown in the table on page 5 of Ms.Konold's testimony to the 2008 and 2009 OPEB expenses of $222,587 and $484,975 on Schedule D-2.4. Also, reconcile the 2009 pension expenses of $980,525 to the Schedule D-2.4 2009 pension expenses of $980,525.

50. With regard to the Company's proposed pension/OPEB deferral and cost recovery mechanism, please provide the following information:

    a. Please provide the pension expenses and OPEB expenses that were included in the pro forma test year results in the Company's prior rate case, Case No. 2007-00008.
    b. Please provide the pension expenses and OPEB expenses that the Company considers to be included in current rates.
    c. Starting with January 2009, please provide the monthly pension and OPEB expense (chargeable to O&M) differences between the expenses included in current rates and the current actual expenses that the Company is proposing to defer effective 1/1/09. In addition, provide the estimated total deferral amount that will have accumulated from 1/1/09 until the expected rate effective date of this case; and explain how the Company proposes to recover this total deferred cost amount from the ratepayers.
    d. Will the proposed Rider POM, to be effective in July 2010, not only include rate recovery over a one-year period of the pension/OPEB deferrals for the 18-month period 1/1/09 – 6/30/10, but also the projected cost differences between the projected costs for the one-year period July 2010 – June 2011 and the costs to be approved in base rates as a result of this rate case? Please explain this in detail.

51. With regard to the rate case expenses incurred for the prior rate case, Case No. 2007-00008, please provide the following information:

    a. In the same format and detail as per Schedule D-2.7 in the prior rate case, provide the actual rate case expenses incurred for Case No. 2007-00008.
    b. Provide the calculations in support of the unamortized balance of $50,904 shown on line 6 of Schedule D-2.7 in the current case. Show unamortized starting balance and the monthly amortizations, indicating the starting and ending amortization months.

52. In the same format and detail as per Schedule D-2.7, provide the actual rate case expenses invoiced and booked to date.

53. With regard to the Company's actual regulatory commission expenses in Account 928 for the 2008 test year amount to $302,664. Please provide a breakout of this total expense amount by regulatory activity and indicate to what extent these regulatory activities are recurring or non-recurring. Also, indicate how much is included in the $302,664 for the expenses associated with the prior rate case.

54. In the Company's prior rate case, the Commission allowed an 8-year amortization of certain one-time IBM costs and the 3-year amortization of certain severance costs included in the NiSource Service costs allocated to CGK (see page 4 of PSC Order in Case No. 2007-0008). In this regard, please provide the following information:

    a. Provide the total one-time IBM costs, the annual amortization of this cost, and the amortization amount included in the pro forma NiSource Service cost of $9,148,390 claimed in this case.
    b. Provide the total one-time severance costs, the annual amortization of this cost, the amortization starting and expiration dates, and the amortization amount included in the pro forma NiSource Service cost of $9,148,390 claimed in this case.

55. Do the pro forma NiSource Service costs of $9,148,390 include any costs associated with the $38,033 loss on mainframe; the $95,309 loss on the sale of the Marble Cliff building; and the $22,236 Marble Cliff depreciation which items were issues in the Company's prior rate case? If so, quantify these costs and explain why they have been included again in the current case.

56. Please provide a functional component breakout of the unadjusted test year NiSource Service cost amount of $9,044,321 in the same format and detail as per Attachment SMT-3 in Case No. 2007-00008. In addition, provide the same NCSC-allocated cost information for the year 2007 and as budgeted for the year 2009.

57. Please provide the number of NiSource Service employees, in total and broken out by employee category, for each month of 2007, 2008 and 2009 through May. In addition, provide the budgeted number of NCSC employees for the year 2009.

58. With regard to SERP expenses, please provide the following information:

    a. Description of what the SERP benefit represents. In addition, explain whether this benefit program is an active on-going program for which current employees are eligible, or whether it is a program that has been discontinued for currently active employees, but is still active for retired employees.
    b. Actual SERP expenses (direct and as included in the NCSC-allocated cost of $9,148,390) booked by the Company in each of the years 2004 – 2008.
    c. How many employees are the recipients of the $200,853 SERP and what are the titles of these employees?

d. Do the employees receiving the SERP benefit also receive the "regular" pension benefits for which all other Company employees are eligible?
e. Reasons why the SERP expense should be charged to the ratepayers rather than the shareholders.

59. To the extent that the pro forma NiSource Service-allocated costs of $9,148,390 include any business development/business promotion expenses, please provide the following information:

    a. Quantify these expenses.
    b. Provide actual source documentation available at NCSC that describes the activities underlying the business development/business promotion expenses.
    c. Explain whether or not the activities underlying the business development/business promotion expenses are specific to CGK's territory and ratepayers, and why and how these activities benefit the ratepayers of CGK.
    d. Of the business development/business promotion expenses allocated from NCSC to CGK, indicate what portion of the allocated costs is directly assignable to CGK and what portion is charged by formula allocation. In addition, describe the process of the directly assignable costs and the allocation factors used in the formula allocation.

60. To the extent that any changes or revisions should be made to the filing data based on errors/omissions/revisions found after the Company filed its case, please provide a listing and description of these required changes/revisions, as well as the impact on the Company's filed revenue requirement.

61. Please identify the expense portion of the NCSC-allocated costs of $9,148,390 that is related to (a) external affairs and/or (b) government affairs. Also, please provide the following additional information for the allocated external affairs and/or government affairs expenses included in NCSC-allocated costs:

    a. Provide a detailed breakout of these external affairs expenses and/or government affairs expenses and detailed description of the nature and purpose of such expenses.
    b. Provide job descriptions of the service company's external affairs and/or government affairs employees.
    c. Explain whether any of the external affairs and/or government affairs employees spend part of their time on legislative and regulatory advocacy and any other lobbying related activities. If so, quantify the percentage of time devoted to these activities.

62. The Company is claiming total pro forma adjusted NCSC-allocated expenses of $9,148,390 in this case. To the extent that this annual expense amount includes the following expense

items, please provide a detailed listing, quantification and description of the components making up each of these expense items:

a. Promotional and institutional advertising expenses. In addition, explain which portion of these expenses have been removed on Schedule D-2.8, Sheet 2.
b. Charitable contribution expenses. In addition, explain which portion of these expenses have been removed on Schedule D-2.8, Sheet 2.
c. Lobbying and governmental affairs expenses.
d. Public relations and community relations/civic affairs expenses. In addition, explain which portion of these expenses have been removed on Schedule D-2.8, Sheet 2.
e. Expenses for employee awards, parties, outings and gifts.
f. Fines and penalties.
g. AGA dues.
h. Membership dues for country clubs and social and service clubs.
i. Incentive compensation expenses (in total and broken out by incentive compensation program).

63. With regard to the NCSC adjustments shown on D-2.8, Sheet 2, please provide the following information:

a. More detailed description of the nature and purpose of each of the items to be removed for ratemaking purposes.
b. Account numbers in which these expenses are recorded.

64. With regard to the NCSC adjustments shown on Schedule D-2.8, Sheet 3, please provide the following information:

a. Provide the actual CGK labor & benefits allocation factors (equivalent to the 2.78% used in this adjustment) for each of the years 2004 through 2008.
b. Date of the "approved 2009 Merit increase" of 3% and the basis of this assumed 3% increase.
c. What is the portion of the actual February 2009 Benefits expense of $2,621,834 representing pension expenses? In addition, since a separate pension expense adjustment is already being requested on Schedule D-2.8, Sheet 4, isn't there a pension expense increase double-count by also reflecting a pension expense increase as part of the labor benefit ratio of 39.27% on Schedule D-2.8, Sheet 3? If not, explain why not.

65. With regard to Schedule D-2.8, Sheet 4, please provide the following information:

a. Copy of the Controllers Letters issued by Consolidated Accounting Department.
b. Basis of the pro forma pension expense amount of $17,163,669 as determined by the Consolidated Accounting Department.

c. Pension expense for NCSC (equivalent to the proposed annual level of $17,163,669) as per the most recent available actuary report. In addition, indicate the date of the actuary report and when the next actuary report will become available.

66. With regard to the NCSC adjustment on Schedule D-2.8, Sheet 5, please provide the following information:

    a. Worksheet showing the derivation of the projected IBM cost amount of $105,422,738, including the separate impacts of Amendment 9 of the IBM Settlement Agreement and projected 2009 ECA of 2.5%. In addition, provide a copy of Amendment 9.
    b. Actual ECA increase percentages for each year from 2004 through 2008 and as budgeted for 2009 and 2010.
    c. Actual CGK allocation rates (equivalent to the rate of 2.64% used in the adjustment) for each year from 2004 through 2008.

67. With regard to the NCSC adjustment on Schedule D-2.8, Sheet 6, please provide the following information:

    a. Actual Incentive Compensation and actual Profit Sharing Plan expenses booked by NCSC in each of the years 2004 through 2008.
    b. Copies of actual source documentation in support of the pro forma expenses shown on lines 4 and 5.

68. Please provide the Consumer Price Index ("CPI") and the Consumer Price Index – Urban ("CPI-U") for each of the calendar years 1999 through 2008 (measured as of December).

69. Please provide the actual Injury and Damages expenses booked by the Company for each of the years 1999 through 2008.

70. Please reconcile the test year property insurance and I&D expense amounts (totaling $686,584) shown on Schedule D-2.9, Sheet 1 of 1 to the test year property insurance and I&D expense amounts (totaling $686,584) on WPD 2.9, Sheet 1 of 2. In addition, reconcile the total test year expense of $686,584 to the test year Account 924 (property insurance) expense of $116,906 and the Account 925 (I&D) expense of $688,690.

71. With regard to Schedule D-2.12, please indicate in which account the test year non-recurring expense of $39,392 was included.

72. With regard to Schedule D-2.13, please provide the following information:

a. Detailed breakout and description of all items making up the total expenses listed for account 907, 912, 913 and 921 in the Adjusted Per Books column.
b. Detailed breakout and description of all items making up the total expense adjustments listed for account 907, 912, 913, 920, 921 and 923 in the Total Company Adjustment column.

73. With regard to professional services expenses, please provide the following information:

a. In the same format and detail as per filing requirement Schedule F-5, provide a breakout of the professional services expenses (e.g., legal, engineering, accounting, other) included in the pro forma adjusted test year results. [Note: while the Company claims that this filing requirement information is not a requirement of an historic test period filing, the AG is seeking this same information through this request for information].
b. Equivalent actual professional service expenses (by the categories identified in part a above) booked in each of the years 2004 through 2008.
c. For each of the expense category expenses from 2004 through the pro forma test year to be provided in response to parts (a) and (b) above, provide the portions charged to O&M expense.

74. In the same format as per the response to AG-1-58 Supplement in Case No. 2007-00008, please provide a dollar breakout, listing and description of each of the following expense accounts:

a. Account 905 – Miscellaneous Customer Account expenses
b. Account 908 – Customer Assistance expenses
c. Account 910 – Miscellaneous Customer Account expenses
d. Account 921 – Office Supplies and Expenses
e. Account 930 – Miscellaneous General expenses.

75. Please provide a detailed listing, description and dollar breakout of all test year social and service club dues and country club dues included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

76. Please provide a detailed listing, description and dollar breakout of all test year charitable expenses included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

77. Please provide a detailed listing, description and dollar breakout of all above-the-line expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges) associated with employee awards, gifts and prizes.

78. Please provide a detailed listing, description and dollar breakout of all above-the-line expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges) associated with company picnics, Christmas parties, employee outings, and other similar employee related expenses.

79. Please provide a detailed listing, description and dollar breakout of all test year advertising expenses included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges). In addition, indicate which of these advertising expenses can be considered promotional and institutional advertising.

80. Please indicate whether CGK has a Governmental Affairs employee or employees whose principal function is lobbying on the local, state, or national level? If so, please provide the following additional information:

    a. Name and title of employee(s), as well as the annualized salary of this employee as included in the pro forma adjusted test year in this case. In addition, provide the annualized benefits (incentive compensation, pension, OPEB, medical, life insurance, payroll taxes, etc.) included in the pro forma adjusted test year in this case.
    b. Copy of the official job description of this Government Affairs employee.
    c. If there are any other employees in the Company's Government Affairs department, please list the titles of these employees; their annual compensation, employee benefit and payroll tax expenses; and, if available, an official copy of their job descriptions.

81. Please provide a detailed listing, description and dollar breakout of all test year public relations and community relations/civic affairs expenses included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

82. Please provide any expenses associated with fines and penalties included in the above-the-line test year expenses (both directly booked by Columbia Gas of Kentucky and as included in the NCSC-allocated charges).

83. With regard to AGA dues, please provide the following information:

    a. Total AGA dues included in the test year expenses. In addition, explain as to whether 100% of these expenses are booked above-the-line or whether a portion of them are booked below-the-line, and explain the reason for this below-the-line portion.
    b. Please provide the latest available percentage breakout with regard to the activities performed by the American Gas Association.

c. Provide a copy of the latest American Gas Association document that includes detailed descriptions of the nature and purpose of each of the functional areas to be provided in response to part b above.

84. Please provide a detailed listing, description and quantification of the following expenses included in the above-the-line test year O&M expenses (both direct Columbia Gas and allocated NCSC expenses):

    a. Spousal expenses.
    b. Non-Deductible Meals and Entertainment expenses. In addition, explain why these expenses are non-deductible.
    c. Employee welfare expenses. Provide detailed listing as per the response to AG-2-22 in Case No. 2007-00008.
    d. Employee moving expenses. In addition, provide the actual employee moving expenses booked by CGK in each of the years 2004 through 2008.

85. Please provide a detailed breakout of the components making up all of the company dues and subscriptions and employee dues and descriptions included in the test year.

86. With regard to Account 887 – Maintenance of Mains expenses, please provide the following information:

    a. Does this account include labor expenses?
    b. Does this account include employee benefit expenses?
    c. For the year 2008, provide the actual Account 887 expenses, as well as the portion of these actual annual expenses representing labor and employee benefit expenses.

87. Provide a worksheet showing the derivation of the pre-tax proposed overall rate of return of 13.06% referenced at the bottom of page 12 of Ms. Cooper's testimony.

88. With regard to Duke Energy of Kentucky's current AMRP rate mechanism, please describe what process the Commission has established in terms of :

    a. Period of time for the review process (e.g., 90 days, 180 days, etc.);
    b. Participants allowed in the review process;
    c. How many rounds of discovery are allowed and over what time period;
    d. Filing Requirements. Please provide a detailed listing and description of the Filing Requirements.
    e. Testimonies and/or affidavits.
    f. Hearings

89. Please reconcile the 2008 uncollectible provision of $1,912,425 shown in Attachment A to the response to PSC-1-32 to the corresponding 2008 Account 904 uncollectible expense of $2,451,089.

In addition, provide the same reconciliation for the uncollectible provision amounts shown for the years 2005 – 2007 in Attachment A to the response to PSC-1-32 to the corresponding 2005 – 2007 Account 904 uncollectible expenses.

90. With regard to the Account 930 breakout in Format 27b included in the response to the PSC's first data request, please provide a detailed breakout of the Miscellaneous charges of $10,889 and the Dues and Subscriptions of $3,661.

91. Please provide copies of all workpapers underlying the depreciation study prepared by John Spanos of Gannett Fleming and submitted in response to Filing Requirement #6-n. Provide in hard copy and, when applicable, in electronic format (Excel) with all formulae intact.

92. Please provide all information obtained by Mr. Spanos and/or Gannett Fleming from Company operating personnel, and separately, financial management personnel relative to current operations and future expectations in the preparation of the depreciation study. All information should be provided in the same format it was provided to Mr. Spanos. Also, please provide all notes taken during any meetings with Company personnel regarding this study. Please identify by name and title, all Columbia Gas ("Columbia") personnel who provided the information, and explain the extent of their participation and the information they provided.

93. Please identify all plant tours taken during the preparation of the depreciation study.

    a. Provide the date(s) of which each plant tour occurred.
    b. Provide a description of all locations visited and the activities and equipment viewed.
    c. Identify those in attendance and their titles and job descriptions.
    d. Provide all conversation notes taken during the tour.
    e. Provide all photographs and images taken during the tour.

94. Provide all internal and external audit reports, management letters, consultants' reports etc. from 2005-2009, inclusive, which address in any way, the Company's property accounting and/or depreciation practices.

95. Please provide copies of all Board of Director's minutes and internal management meeting minutes from 2005-2009, inclusive, in which the subject of the Company's depreciation rates or retirement unit costs were discussed.

96. Please provide copies of all internal correspondence from 2005-2009, inclusive, which deals in any way with the Company's retirement unit costs, depreciation rates, and/or the depreciation study.

97. Please provide copies of all external correspondence from 2005-2009, inclusive, including correspondence with Mr. Spanos and/or Gannett Fleming, which deals in any way with the Company's retirement unit costs, depreciation rates, and/or the depreciation study.

98. Please provide copies of all industry statistics available to Mr. Spanos and/or Columbia relating to gas or common depreciation rates. Also, identify all industry statistics upon which Mr. Spanos or the Company relied in formulating the depreciation proposals.

99. On an account-by-account basis, which accounting method is reflected in the life studies; "location-life" or "cradle-to-grave"? Also, what is impact of the accounting method used on the lives calculated in the depreciation study?

100. Please provide a copy of the Company's current capitalization policy. If the policy has changed at all since 2000, please provide a copy of all prior policies in effect during any portion of that period.

101. Please identify and explain all changes since the last depreciation study which might affect depreciation rates.

102. Please provide the Company's most recent Asset Management Plan or any similar document used to plan for maintaining plant capacity, reliability and efficiency.

103. Please provide a copy of the Company's 2006, 2007 and 2008 annual reports to the KY Public Service Commission. Please reconcile the December 31, 2008 plant shown in the depreciation study with the EOY 2008 plant shown in the 2008 Commission Report, and provide a complete explanation for each difference.

104. The following questions relate to the potential accounting move from U.S. GAAP to International Financial Reporting Standards ("IFRS").

    a. Please provide a narrative explanation of the anticipated, potential impact of moving from U.S. GAAP to IFRS.
    b. Does the Company expect to adopt IFRS? If so, when?
    c. Please provide all analyses, quantifications, reports, studies, etc. that the Company has conducted regarding the potential adoption of IFRS.
    d. Please provide a specific discussion of how the potential change to IFRS will impact the Company's accounting calculations and entries relating to SFAS No. 143, FIN No. 47 and the existing regulatory liability for cost of removal, SFAS No. 71 and the difference between financial and regulatory accounting.
    e. Please provide a specific discussion of how the potential change to IFRS will impact the Company's accounting calculations and entries relating to depreciation, accumulated depreciation, gross salvage and cost of removal. Include a discussion of any difference between financial and regulatory reporting relating to these items.

f. Please provide a specific discussion of how the potential change to IFRS will impact the Company's accounting calculations and entries relating to current income taxes, deferred income tax expense and accumulated deferred taxes. Include a discussion of any difference between financial and regulatory reporting relating to these items.

g. Identify all items and accounts currently classified as contra-accounts, deferred debits and credits, liabilities and assets which will or may flow to equity upon the potential replacement of GAAP with IFRS.

Data

105. Please provide all tabulations included in the depreciation study and all data necessary to recreate in their entirety, all analyses and calculations performed for the preparation of the depreciation study. Please provide this and all electronic data in Excel (or .txt format if appropriate), with all formulae intact. Please provide any record layouts necessary to interpret the data. Include in the response electronic spreadsheet copies of all of the schedules and/or tables included in the depreciation study, with all formulae intact. Identify and explain any and all unique spreadsheet formula's or assumptions required to recreate in their entirety all of Mr. Spanos' calculations given his inputs.

106. For ***each*** plant account, and for each year since the inception of the account up to and including 2008, please provide the following standard depreciation study data as identified at pages 27-30 of the August 1996 NARUC Public Utility Depreciation Practices Manual ("NARUC Manual"). At a minimum, the data provided should be the same data set used to conduct the life analyses included in the depreciation study. Please provide the data in electronic format (Excel or .txt). Provide aged vintage data if available. Use the codes identified for each type of data, unless the Company regularly uses other codes. In those circumstances, identify and explain the Company's coding system.

Code	Data Type
9	Addition
0	Ordinary Retirement
1	Reimbursement
2	Sale
3	Transfer – In
4	Transfer – Out
5	Acquisition
6	Adjustment
7	Final retirement of life span property (see NARUC Manual, Chapter X)
8	Balance at Study Date
	Initial Balance of Installation

107. If the depreciation study data provided in response to the preceding question is not the exact set of data used to conduct the life studies for the depreciation study submitted in this case, please explain all differences and reconcile the amounts provided to those used in the depreciation study.

108. If not provided elsewhere, please provide all amortization workpapers and calculations in electronic format (Excel) with all formulae intact. Include all workpapers and support for the selection of the proposed amortization periods.

109. Is amortization accounting currently used by the Company for its general accounts?

    a. If not, please explain the sentence found on page I-4 of the depreciation study submitted in Case No. 2007-00008, which states, "The continuation of amortization accounting for certain accounts is recommended…"
    b. If yes, please explain the 5-year amortization of the "unrecovered reserve" shown on pages III-5 and III-6 of the Study.
    c. Also, please explain why Mr. Spanos did not propose the 5-year amortization of the "unrecovered reserve" in the study submitted in Case No. 2007-00008.
    d. Explain all differences between the amortization proposal and calculations proposed in Case No. 2007-00008 and those proposed in this case. Provide all workpapers and calculations in Excel format with all formulae intact.

110. If not provided elsewhere, please provide the cost of removal and gross salvage data used in the depreciation study net salvage analyses. If this data differs from that reflected on the Company's books, please explain the differences and provide a reconciliation. Please provide this data in electronic (Excel or .txt) format with all formulae intact.

111. Please provide the following annual accumulated depreciation amounts for ***all*** plant accounts for the last 10 years (up to, and including, 2008). If the requested data is not available for the last 10 years, please provide the data for as many years as are available. Please provide data in both hard copy and electronic format with all formulae intact (Excel or .txt).

    a. Beginning and ending reserve balances,
    b. Annual depreciation expense,
    c. Annual retirements,
    d. Annual cost of removal and gross salvage,
    e. Annual third party reimbursements.

112. Provide a summary of annual maintenance expense by USoA account (for all accounts) for the last 20 years. If the requested data is not available for the last 20 years, provide the data for as many years as are available. Please provide data in both hard copy and electronic format with all formulae intact.

113. Please explain what consideration, if any, was given to annual maintenance expense data in Mr. Spanos' estimation of service lives, dispersion patterns and net salvage.

Depreciation Rate Calculations

114. If not provided elsewhere, please provide the calculation of the proposed depreciation rates in electronic format (Excel) with all formulae intact.

115. Does the Company maintain its book reserve by plant account? If not, please explain why not.

116. If the Company does not maintain its book reserve by plant account, please provide the calculation of the 2008 recorded reserve shown in the depreciation study.

117. Was reciprocal, harmonic, or ELG weighting used in any of the depreciation rate calculations? If yes, please provide all calculations using direct weighting. Also, provide this in hardcopy and in electronic format with all formulae intact (Excel).

118. If applicable, please calculate all depreciation rates using the same weighting procedure used in the current depreciation rates, i.e., the same procedure used the last time depreciation rates were calculated.

119. Please provide the proposed depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

120. If not provided elsewhere, please provide all remaining life calculations resulting from the depreciation study both in hard copy and in electronic format with all formulae intact.

121. Were the Columbia related amounts of the regulatory liability for cost of removal reported in NiSource's December 31, 2008 Form 10-K included in the depreciation reserves used by Mr. Spanos to calculate depreciation rates in this case? In other words, do the reserve amounts shown on pages III-4 through III-6 of the depreciation study include the monies collected from ratepayers for future cost of removal? If not, explain why not and provide the total reserve amounts by account.

Depreciation Revenue Requirement

122. Please provide electronic copies (Excel) of Schedules B-3, B-3.2 and D-2.6 and all supporting workpapers, with all formulae intact. For each Schedule, show how the amounts were calculated, including the depreciation rate applied and the applicable plant balances. Provide a source for all depreciation rates used in the calculations.

Net Salvage

123. If not provided elsewhere, please provide on diskette or CD all workpapers supporting terminal net salvage (decommissioning) estimates for each account for which terminal net salvage is a factor. Please include all calculations in electronic format (Excel), with all formulae intact.

124. Refer to each net salvage study in the depreciation study. For each of the five years ending 2008 explain whether gross salvage and cost of removal were normal or abnormal and why. This question pertains to Columbia's perception as to the normalcy of the amounts in question.

125. Please explain, and provide examples of the Company's retirement unit cost procedures for each account. Identify all changes to retirement unit costs which have occurred over the years.

126. Were any retirements, classified as sales or reimbursements, excluded from the life studies? If yes, were the retirements and related gross salvage and cost of removal also excluded from the net salvage studies?

127. Please explain the Company's procedures for gross salvage and cost of removal for each plant account. Also, please explain how cost of removal relating to replacements is allocated between cost of removal and new additions. Provide copies of actual source documents showing this allocation.

128. Does Columbia agree that, in the case of a replacement, Columbia has control over how much of the cost of the replacement is assigned to the retirement as cost of removal, and how much is capitalized to plant-in-service? Please explain the answer fully.

129. Please provide all manuals, guidelines, memoranda or other documentation that deals with the Company's policies on the assignment of capital costs and net salvage with regard to the replacement of retired plant. Also, please provide a sample workorder for a replacement project, showing these cost assignments.

130. Please provide narrative explanations of the Company's aging and pricing procedures.

131. Please identify and explain the Company's expectations with respect to future removal requirements and markets for retired equipment and materials. Please provide the basis for these expectations.

132. Please explain how the Company accounts for third party reimbursements and how they are reflected in the depreciation study.

133. If third-party reimbursements were excluded from the net salvage studies, was the related retirement also excluded from the life studies?

134. For the test year ending December 31, 2008, please identify the amount and proportion of each account that was capitalized as overhead to construction and the proportion and amount that was treated as an annual expense.

135. Do Mr. Spanos' net salvage estimates for mass property accounts incorporate inflation expected to be incurred in the future? If yes, provide the net present value, thus eliminating the inflation from the net salvage estimates.

136. Is it correct that Mr. Spanos' mass property cost of removal estimates extrapolate past inflation into the future cost of removal estimate? If not, please explain why not.

137. Please provide the Company's capital and construction budgets for the next five years. Please identify all retirements, replacements, new additions and cost of removal reflected in these budgets. Please provide by account where available and explain how the cost estimates are derived for these items. This includes any budgets developed for the AMRP program.

138. Please provide a comparison of the annual cost of removal and gross salvage amounts shown on the Company's federal tax returns with the corresponding book amounts, for the last 5 years. Provide the annual deferred tax expense associated with each of the differences. Also, provide the beginning and ending accumulated deferred tax balances and state whether they are rate base additions or rate base deductions.

139. Provide all alternative calculations of the net present value of future net salvage estimates that Mr. Spanos has considered, written about, or addressed in presentations over his career. Explain the pros and cons of each alternative approach.

<u>Service Lives</u>

140. If not provided in the workpapers, please provide the retirement rate analysis ranking of best-fit life/curve combinations for each account.

141. For any accounts where Mr. Spanos did not base his service life/curve selection on the results of his retirement rate analysis, explain why he did not. Also, explain in detail how those service live/curve combinations were selected.

142. Identify and explain all Company programs, including the AMRP, which might affect plant lives.
    a. Specify when the program stated.
    b. Specify each USoA account impacted by the program.
    c. Identify the annual maintenance expenses, plant additions and plant retirements (both units and dollars), by plant account resulting from the program for the last 20 years.

d. Identify and describe the forecasted maintenance expense, plant additions and plant retirements (both units and dollars) resulting from each program for the next twenty years.
e. Explain in detail how Mr. Spanos specifically adjusted his historical observed plant life indications to account for each program.

143. Please provide all internal life extension studies prepared by the Company. Life extension refers to any program, maintenance or capital, designed to extend lives and/or increase capacity of existing plant. Identify the functions to which these studies relate.

144. Provide the following information for all final retirements for the last 15 years. If requested data is not available for the last 15 years, provide the data for as many years as are available.

    a. Date of retirement,
    b. Amount of retirement,
    c. Account,
    d. Reason for retirement, and
    e. Whether or not retirement was excluded from historical interim retirement rate studies.

145. Please provide the asset retirement obligations (ARO)/asset retirement cost (ARC) calculations for each of Columbia's property accounts assuming that Columbia has legal AROs for all of its plant. For the purposes of this question, please use the definition of a "legal obligation" provided in FASB Statement No. 143: "an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel."

146. Describe the relationship of the dollars in Mr. Spanos' life studies to the actual unpriced retirement units to which they relate.

147. Provide and explain all life studies (actuarial or semi-actuarial) Mr. Spanos conducted for Columbia using actual unpriced retirement units.

Account Specific Depreciation Questions

148. Please provide all manuals, guidelines, memoranda or other documentation that deals with the Company's policies with regard to the physical removal of retired mains and, separately, services from the ground as opposed to capping these pipes and leaving them in place.

149. Please explain the process by which the labor associated with Mains and Services replacement projects is split between the new asset and cost of removal.

150. Please provide a summary of the last 10 years of Mains and Services additions, up to and including 2008. Identify on a year-by-year basis the new additions vs. replacement additions. Please explain any anticipated changes to these proportions.

151. Please identify and explain the three largest Mains and Services replacement projects currently taking place.

152. Please provide a summary of all Main and Service Replacement projects during 2008. Separately identify all major costs, including the removal of the existing Main and/or Service.

153. Please provide a narrative explanation of a typical Main and Service replacement project.

154. Please provide a sample work order showing the retirement of a gas main.

<u>Existing Depreciation Rates</u>

155. Please provide a copy of the depreciation study underlying the current rates and the Order(s), Decision(s), Stipulation(s) and/or Settlement(s) establishing the current depreciation rates.

156. Please provide the calculation of the current depreciation rates in electronic format (Excel) with all formulae intact. Show all parameters used (i.e., ASL, curve, remaining life, net salvage ratio), and provide a source for those parameters. Please explain any differences in the parameters or rates from those that were ordered when the rates were adopted.

157. Identify and explain all changes between the current study and the most recent prior study.

158. Please provide the <u>current</u> depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

159. Provide a table summarizing separately by account the depreciation expense changes caused by life changes, net salvage changes, and other changes. Provide additional explanations of the "other changes."

<u>Depreciation Questions Relating to FERC Form 2 Reports and Audits</u>

160. Provide the Company's FERC Form 2 reports for the years 2004 - 2008.

161. Please reconcile the plant balances used to calculate the rates in the depreciation study with the plant balances shown in the Company's FERC Form 2 report for the same year.

162. Please reconcile the reserve balances used to calculate the rates in the depreciation study with the reserve balances shown in the Company's FERC Form 2 report for the same year.

163. Please provide all FERC audit reports and the Company's responses thereto during the last 10 years.

SFAS No. 143, FERC Order No. 631 and FIN 47

164. Please provide any and all internal studies and correspondence concerning the Company's implementation of FASB Statement No. 143, FIN 47 and FERC Order No. 631 in RM-02-7-000.

165. Please provide complete copies of all correspondence with the following parties regarding the Company's implementation of FASB Statement No. 143, FIN 47 and FERC Order 631 in RM02-7-000:

    a. External auditors and other public accounting firms,
    b. Consultants,
    c. External counsel,
    d. Federal and State regulatory agencies, and
    e. Internal Revenue Service.

166. Regarding FASB Statement No. 143, FIN 47, and FERC Order No. 631 in Docket No. RM02-7-000, on a plant account-by-plant account basis, please identify any and all "legal obligations" associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. Again, for the purposes of this question, please use the definition of a "legal obligation" provided in FASB Statement No. 143: "an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel."

167. For any asset retirement obligations identified above, please provide the "fair value" of the obligation. For the purposes of the question, fair value means "the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction." Please provide all assumptions and calculations underlying these amounts.

168. Please provide the "credit adjusted risk free rate" used for any and all ARO calculations under FASB Statement No. 143, FIN 47, and FERC Order No. 631 calculations to date.

169. Please provide complete copies of all Board of Director's minutes and internal management meeting minutes during the past five years in which any or all of the following subjects were discussed: the Company's gas and/or common plant depreciation rates; retirement unit costs; SFAS No. 143; FIN 47; and, FERC RM02-7-000.

170. Please provide the accounting entries (debits and credits) used to implement SFAS No. 143 and FIN 47, along with all workpapers supporting those entries. Please provide all these workpapers and calculations in electronic format (Excel) with all formulae intact.

171. Please refer to NiSource's December 31, 2008 Form 10-K Report, page 92. If not provided elsewhere, please provide the workpapers supporting the calculation of the regulatory liabilities for cost of removal of $1,315.2 million as of December 31, 2008 and $1,227.3 million as of December 31, 2007. Please provide these workpapers in electronic format (Excel), with all formulae intact. Provide the calculations on a plant account-by-plant account basis. In addition, for each plant account please provide the portion related to Columbia Gas of Kentucky and provide the calculation showing the allocation to Columbia Gas of Kentucky with all assumptions. Provide these calculations in Excel with all formulae intact.

172. Please refer to page 84 of NiSource's December 31, 2008 Form 10-K Report. Please reconcile the $1,386.1 million amount for 2008 regulatory liabilities and other removal costs with the $1,315.2 million amount shown on page 92 for cost of removal. Explain each category of difference.

173. What impact, if any, did the application of FIN 47 have upon the proposed depreciation rates and expense in this rate case? Provide all workpapers supporting the answer. If the application of FIN 47 had no impact please explain why not.

174. Provide an analysis of the regulatory liability for accrued asset removal costs since the regulatory liability was established, identifying and explaining each debit and credit entry and amount. Also, provide the copies of the pages from each of Columbia's SEC Form 10Ks and 10Qs and Columbia's Annual Reports in which SFAS No. 143 was ever mentioned, whether or not Columbia had quantified an amount of the regulatory liability at the time. Specify the exact date each of these reports was issued and released to the public.

175. Provide Columbia's projection of the annual year-end balance in the regulatory liability for cost of removal obligations for Columbia, for the next 20 years. If not available for the next twenty years provide for as many years into the future that the projection is available. If this projection has not been made, please explain why not. Provide in electronic format (Excel) with all formulae intact.

    a. For this projection assume that all of Columbia's proposed depreciation rates are approved as requested.
    b. Explain all other assumptions used to make this projection.

176. For all accounts for which Columbia has collected for non-legal AROs (AROs for which Columbia does not have a legal obligation as defined in SFAS No. 143), but instead recorded a regulatory liability (regulatory liability for cost of removal), please provide the fair value of the related asset retirement cost as of December 31, 2003; December 31, 2004; December 31, 2005, December 31, 2006, December 31, 2007 and December 31, 2008. For the purposes of this question, assume that Columbia has legal AROs for these accounts, and use the life and dispersion assumptions reflected in Mr. Spanos' depreciation study.

177. Provide the calculation of the annual amount of future gross salvage, cost of removal and net salvage incorporated into Columbia's existing depreciation rates and in its proposed depreciation rates by account. If any of the amounts are reduced by the total amount of non-legal AROs included in year-end accumulated depreciation, show that calculation.

178. With respect to the Regulatory Liability relating to cost of removal obligations which Columbia reclassified out of accumulated depreciation:

    a. Do you agree that this constitutes a regulatory liability for regulatory purposes in Kentucky? If not, please explain why not.
    b. Do you agree that this amount is a refundable obligation to ratepayers until it is spent on its intended purpose (cost of removal)? If not, why not?
    c. Please explain the repayment provisions associated with this regulatory liability.
    d. Please explain when you expect to spend this money for cost of removal.
    e. Please explain what you have done with this money as you have collected it. If you claim that it has been spent on plant additions, please provide evidence of same.
    f. Identify and explain all other similar examples of Columbia's advance collections of estimated future costs for which it does not have a legal obligation.
    g. Does Columbia agree that the KY PSC will never know whether or not Columbia will actually spend all of this money for cost of removal until and if Columbia goes out of business? If not, why not?
    h. Does Columbia believe that amounts recoded in accumulated depreciation represent capital recovery? If not, why not?
    i. Whose capital is reflected in accumulated depreciation – shareholders' or ratepayers'?

179. Does Columbia agree to remove each asset for which it is collecting cost of removal and does it agree to spend all of the money it is collecting for cost of removal, on cost of removal? If the answer is yes, explain why Columbia does not have legal AROs under the principal of promissory estoppel. Please explain.

180. Does Columbia consider that it is bound by SEC regulations to record accruals for future costs of removal as regulatory liabilities?

    a. If so, please provide a record of those accruals in as much account detail as is available along with the workpapers used to develop those accruals.
    b. If not, please explain why not.
    c. State whether the Company proposes to separate retirement cost accounting from depreciation accounting, with separate rates and reserves. If the Company does not propose such separation, please state fully the reasons for not doing so.

181. Please provide any forecasts of environmental remediation costs included in the depreciation study. Describe fully the nature of each project. Identify the site, the amount of the cost, the timing of the expenditure, and the reason(s) for the expenditure.

182. Identify all directives from the Environmental Protection Agency or state environmental agencies that affect or might affect the Company's obligations to incur environmental remediation costs. Describe fully the likely effect on Columbia. Quantify any associated costs.

183. Please identify and describe the level of detail, e.g. by account, functional category, at which the Company computes the depreciation expense for purposes of financial reporting, Commission reporting, and ratemaking in this case. Explain fully any differences among these three depreciation calculations.

184. State whether the Company has forecast any non-legal ARO's that it does not regard as regulatory liabilities. Please describe these costs in detail, state fully the reason(s) for your belief that such forecast costs are not regulatory liabilities, and identify the forecast amounts of such removal costs in as much detail as is available. Provide the supporting documentation for each forecast amount.

185. Please provide copies of all presentations made to rating agencies and/or investment firms by NiSource, Columbia Energy Group, and/or Columbia Gas of Kentucky, Inc. between January 1, 2007 and the present.

186. Please provide copies of all prospectuses for any security issuances by NiSource, Columbia Energy Group, and/or Columbia Gas of Kentucky, Inc. since January 1, 2007.

187. Please provide copies of all studies performed NiSource, Columbia Energy Group, and/or Columbia of Kentucky, Inc. or by consultants or investment firms hired by NiSource, Columbia Energy Group, and/or Columbia Gas of Kentucky, Inc. to assess (1) the Columbia Gas of Kentucky, Inc.'s financial performance, (2) the performance of the Columbia Gas of Kentucky, Inc. relative to other utilities, or (3) the adequacy of the Columbia Gas of Kentucky, Inc.'s return on equity or overall rate of return.

188. Please provide copies of credit reports for NiSource, Columbia Energy Group, and/or Columbia Gas of Kentucky, Inc. from the major credit rating agencies published since January 1, 2007.

189. Please provide copies of all correspondence between NiSource, Columbia Energy Group, and/or Columbia Gas of Kentucky, Inc. and any of the three major bond rating agencies (S&P, Moody's, and Fitch) from January 1, 2007 to the present. These include copies of letters, reports, presentations, emails, and notes from telephone conversations.

190. Please provide the corporate credit and bond ratings assigned to NiSource, Columbia Energy Group, and Columbia Gas of Kentucky, Inc. since the year 2000 by S&P, Moody's, and Fitch). For any change in the credit and/or bond rating, please provide a copy of the associated report.

191. Please provide the breakdown in the expected return on pension plan assets. Specifically, please provide the expected return on different assets classes (bonds, US stocks, international stocks, etc) used in determining the expected return on plan assets. Please provide all associated source documents and work papers.

192. For the past five years, please provide the dates and amount of: (1) cash dividend payments made by Columbia Gas of Kentucky, Inc. to Columbia Energy Group and/or NiSource; and (2) cash equity infusions made by NiSource and/or Columbia Energy Group into Columbia Gas of Kentucky, Inc.

193. Please provide Columbia Gas of Kentucky, Inc.'s authorized and earned return on common equity over the past ten years. Please show the figures used in calculating the earned return on common equity for each year, including all adjustments to net income and/or common equity. Please provide copies of all associated work papers and source documents. Please provide copies of the source documents, work papers, and data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

194. With reference to page 6, lines 8-18, please show the exact calculations and methodology used to arrive at the equity cost rate of 12.25 percent for Columbia Gas of Kentucky, Inc., including the 0.75% credit quality adjustment.

195. With reference to page 7, line 1, please provide a copy of the cited study.

196. With reference to page 8, lines 1-14, please provide copies of all studies performed by Mr. Moul which compare the customer classes and demand issues of Columbia Gas of Kentucky, Inc. to the companies in the proxy group.

197. With reference to page 8, lines 16-24, please provide copies of all studies performed by Mr. Moul that compare the magnitude of the capital expenditure program for Columbia Gas of Kentucky, Inc. to that of the companies in the proxy group. Please provide copies of the source documents, work papers, and data sources in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

198. With reference to page 9, lines 7-24, please provide copies of all studies performed by Mr. Moul that: (1) that compare the rate making and design mechanisms, including the WNA, proposed by the Company to those of the companies in the proxy group; and (2) demonstrate the effect of these rate design and making mechanisms on the business risk of the proxy group companies. Please provide copies of the source documents, work papers,

and data sources in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

199. With reference to page 9, lines 20-23, please provide: (1) copies of all documents that support the statement that "All of the companies in my Gas Group have some form of revenue stabilization mechanism;" (2) the percent of each company's gas revenues that are affected by the revenue stabilization mechanisms; and (3) demonstrate the effect of these regulatory mechanisms on the business risk of the proxy group companies. Please provide copies of the source documents, work papers, and data sources in both hard copy and electronic (Microsoft Excel)

200. With reference to page 11, lines 9-13, please indicate exactly how your recommendation takes into account the various rate making mechanisms.

201. With reference to page 15, lines 1-6, please provide the data used in the credit spread study. Please provide copies of the source documents, work papers, and data sources in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

202. With reference to pages 15-18, please provide copies of the individual company data for Columbia Gas of Kentucky, Inc. and the proxy group used in: (1), the study of common equity ratios; (2) the coefficient of variation study on return on book equity; (3) the comparison of operating ratios; (4) the study of interest coverage ratios; (5) the quality of earnings; and (6) the study of internally generated funds. Please provide copies of the source documents, work papers, and data in hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

203. With reference to pages 20-22 and Attachment PRM-5, please provide (1) copies of the data, source documents, and work papers used to develop the capital structure for the company; (2) show the details and magnitude of all adjustments that were made to the capitalizations of the proxy group capitalizations; and (3) the monthly amounts of short-term debt used to develop the short-term debt in the capital structure. Please provide copies of the source documents, work papers, and data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

204. With reference to page 19, lines 8-18, please provide the quarterly capitalization amounts and ratios, including and excluding short-term debt, for the past three years for NiSource, Columbia Energy Group and Columbia Gas of Kentucky, Inc. Please provide the data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

205. With reference to page 21, lines 8-15, please provide all data, work papers, and source documents, and calculations used in determining the appropriate amount of short-term debt to include in the capital structure. Please provide the data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

206. With reference to page 22 and Attachment PRM-6, please provide: (1) all data, work papers, and source documents, and calculations used in computing the short-term and long-term cost rate; (2) all details (issue date, debt amounts, underwriter, underwriting spread, SEC filings, etc.) associated with all actual and pro forma financings used in determining the Company's long-term debt cost rate; and (3) the assumptions and associated work papers used in computing all elements of the short-term and long-term debt cost rates. Please provide the data and work papers in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

207. With reference to page 24, lines 7-24, and Appendix E, please provide: (1) copies of all studies used to make the ex-dividend date adjustment, and the quarterly compounding adjustment; and (2) the individual company data used in computing the adjusted dividend yield of 4.26%, including details on all adjustments to dividends and prices. Please provide copies of the source documents, work papers, and data in both hard copy and electronic (Excel) formats, with all data and formulas intact.

208. With reference to pages 26-31, and Attachments PRM-8 and PRM-9, please provide the individual company data and copies of the source documents, work papers, and data used in developing the historic and forecasted growth rate data for the proxy group. Please provide the data in both hard copy and electronic (Excel) formats, with all data and formulas intact.

209. With reference to pages 32-38, and Appendix E, please: (1) list all regulatory cases (by name, docket number, and filing date) in which Mr. Moul has provided rate of return testimony and proposed his leverage adjustment; (2) indicate all cases (by name, docket number, and date), other than those cited, in which a regulatory commission has adopted Mr. Moul's leverage adjustment in arriving at an overall rate of return; and (3) provide copies of the 'Rate of Return' section of the Commission's decisions for all cases in which a regulatory commission has adopted the adjustment.

210. With reference to page 37, line 11 to page 38, line 13, and Appendix E, please: (1) provide copies of the pages from Modigliani and Miller's original published research that support the formulation used to adjust the DCF equity cost rate; and (2) indicate exactly (by page and line numbers) where in these publications these authors prescribe this leverage adjustment for rate of return and rate making purposes.

211. With reference to Appendix E, please provide the individual company data and calculations used in developing the leverage factor. Please provide the data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact. In addition, please indicate the source of the data.

212. With reference to Appendix F, please provide copies of the source documents, work papers, and data used to support and develop the flotation cost adjustment. Please provide the data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact. In addition, please indicate the source of the data.

213. With reference to page 40, Attachment PRM-11, and Appendix G, please provide: (1) copies of the current Blue Chip Financial Forecasts; and (2) all data, work papers, and source documents used in computing a prospective bond yield of 6.50%. Please provide the data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact.

214. With reference to page 43, line 9 to page 46, line 5 Attachment PRM-12, and Appendix H, please provide the methodology used to construct the S&P Composite and Utility Indexes, including the following: (1) the weights applied to the stock prices of each company in arriving at the index values, (2) how adjustments are made to the Index when companies are added to or deleted from the Index, (3) how adjustments are made to the Index in the event of stock splits and stock dividends, (4) the names and number of companies in the Utility Index each year, (5) the names and number of gas companies in the S&P Utility Index each year, and (6) copies of all studies performed which compare the riskiness of the stocks in the S&P Composite Index, the S&P Utility Index, and gas companies.

215. With reference to page 46, lines 1-5, please provide the methodology used to presume that gas companies are 88% as risky as the S&P Public Utilities.

216. With reference to pages 47-49, Attachment PRM-13, and Appendix I, please provide (1) documentation on the methodology used by *Value Line* in adjusting betas (Appendix I, page I-3, lines 13-20; (2) the individual company data used to make the leverage-adjusted beta adjustments (page 48); and (3) all empirical studies that support the use of leverage-adjusted betas such as proposed by Mr. Moul. Please provide copies of the source documents, work papers, and data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact.

217. With reference to pages 47-48, Attachment PRM-13, and Appendix I, please: (1) list all regulatory cases (by name, docket number, and filing date) in which Mr. Moul has provided rate of return testimony and proposed his CAPM-beta adjustment procedure; (2) indicate all cases (by name, docket number, and date), which a regulatory commission has adopted Mr. Moul's proposed CAPM-beta adjustment procedure in arriving at an overall rate of return; and (3) provide copies of the 'Rate of Return' section of the Commission's decisions for all cases in which a regulatory commission has adopted the adjustment.

218. With reference to 49 and 50, Attachment PRM-13, and Appendix I, please provide copies of all date, source documents, and work papers used in the calculation of the historic and forecasted market premiums of 6.8% and 11.84%. Please provide copies of the source

documents, work papers, and data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact.

219. With reference to page 51, lines 1-22, please: (1) provide copies of the SBBI document that forms the basis for the small capitalization adjustment of 0.92%; and (2) provide all data, work document, and calculations used in determining in the size adjustment of 0.92%, including a copy of complete chapter and associated tables of the Ibbotson publication. Please provide the data in hard copy and electronic formats (Microsoft Excel), with all data and equations left intact.

220. With reference to Appendix I, pages I-3 – I-4, please provide: (1) all data, work papers, source document, and calculations used in estimating the "Dividend Yield" and "Median Appreciation Potential,' for the companies followed by *Value Line*; (2) the dividend yield and appreciation potential data for the individual companies covered by *Value Line*; (3) copies of the source documents and the dividend yields and projected EPS growth rates for each of the 500 companies in the S&P 500. Please provide copies of the source documents, work papers, and data in both hard copy and electronic (Microsoft Excel) formats.

221. With reference to page 53, lines 1-17, Attachment PRM-14, and Appendix J, please: (1) list the filters (and the numeric values used) that are applied using the Value Line Investment Analyzer in applying the CE approach; and (2) identify all data items from the *Value Line Investment Analyzer* that are employed in the CE study.

222. Please provide electronic (Microsoft Excel) copies of the all Attachments PRM-1 through Attachment PRM-14 as well as the associated work papers. Please provide electronic copies of all pages of the Attachments, with all data and equations in tact. For Attachments which use data that is not shown, such as individual company data.

223. Please provide all cost/benefit analysis conducted to evaluate and/or support the cost effectiveness of each of the Company's proposed demand side management (DSM) programs. In this response, provide all analyses conducted including: participant tests; ratepayer impact tests; utility impact tests; and, total resource tests. Provide in hard copy as well as in executable electronic format.

224. Please provide support and documentation for all assumptions and inputs utilized in evaluating the cost effectiveness of each proposed and considered DSM program.

225. Please provide a list of each potential DSM considered but not proposed along with any analyses, reports or correspondence relating to such potential programs.

226. Please identify and provide all detailed analyses and separately for all program costs, administrative costs, and program evaluation costs for each proposed DSM program.

227. Please provide details supporting the cost of $50 per Energy audit.

228. Please provide all analyses and bases for the determination of each proposed high efficiency appliance rebate amount.

229. Please provide support for the determination and establishment of a proposed $2,200 cap on the proposed Low-Income High Efficiency Furnace Replacement Program.

230. Please provide a copy of Attachment Seelye-2 in executable electronic format. In this response please provide all calculated and linked files.

231. Please provide a detailed explanation of how each class' design day demand is determined and used in the Company's class cost of service study.

232. Please provide all workpapers and analyses to determine each class' design day demand for class cost of service purposes. In this response, please provide in hard copy as well as in executable electronic format.

233. Please explain and provide all analyses supporting the system design day average temperature (heating degree days).

234. Please provide a list of each interruption or curtailment during the last five years. In this response, please provide the date, duration, reason(s) for curtailment, and estimate of curtailed load.

235. Please provide throughput separated between sales and transportation by rate schedule, for each month and year, during the last five (5) years. Please provide in hardcopy as well as in electronic format.

236. For each of the three (3) highest annual daily send outs occurring during each of the last five (5) years, please provide the following:

    a. Date,
    b. System send out,
    c. Interruptible sales volume by rate schedule,
    d. Interruptible transportation volume by rate schedule,
    e. Firm transportation throughput by rate schedule,
    f. Firm sales throughput by rate schedule whose sales volumes are metered daily, and,
    g. Estimate of sales throughput by rate schedule whose sales volumes are metered monthly.

237. Please provide all workpapers and analyses supporting the Company's classification of Mains as partially customer-related. In this response, provide in hard copy as well as in executable electronic format.

238. Please provide a detailed listing of Mains investment by Vintage year, type (steel, cast iron, and plastic), size, installed feet, and booked gross investment. Please provide in hardcopy as well as in electronic format.

239. Please identify the weather station(s) in which the Company utilizes heating degree data for design day and weather normalization purposes.

240. Please provide daily heating degree days for as long as available. Please provide in hard copy as well as in electronic format.

241. With respect to customers that have contracted maximum firm daily demands, please provide the test-year and current sum of maximum firm contract demands by rate schedule.

242. Please provide all workpapers and analyses supporting the assignment of services investment by class.

243. Please provide all workpapers and analyses supporting the assignment of meters investment by class.

244. Please provide the test-year number of bills rendered by class resulting from:

    a. Company meter reads,
    b. customer meter reads, and,
    c. estimated usage.

245. Please provide the following actual test-year amounts by class or rate schedule as available:

    a. late payment charges,
    b. customer deposits,
    c. customer advances, and,
    d. uncollectibles expense.

246. Please provide the annual level of write-offs by rate schedule for each of the last five (5) years (net of surrendered deposits).

247. Please provide the test-year number of customer sales/service and customer representatives separated in the greatest level of customer detail possible; e.g., residential, commercial, large industrial, etc.

248. Please provide a detailed engineering schematic showing the location of each Columbia Gas of Kentucky customer that does not utilize the Company's transmission or distribution mains. In this response, please provide and identify each customer's interconnection with a pipeline and all nearby Company mains and facilities.

249. Please provide a general map of the Company's service area(s).

250. Please provide an identification of each rate schedule included in each of the class cost of service study categories: GS-RES; GS-Other; IUS; DS-ML/SC; and, DS/IS.

251. Please provide all source documents, workpapers, spreadsheets, calculations, etc. that show how each of the class allocation factors identified in the following was determined:

   a. Development of Allocation Factors Demand/Commodity Method (Attachment MPB-1), and,
   b. Development of Allocation Factors Customer/Demand Method (Attachment MPB-2).

   Please provide in hardcopy as well as in executable electronic format.

252. Please provide a copy of each of the Company's class cost of service studies in executable electronic format. In this response, please provide all linked files.

253. With regard to Account 303 (Other Software) in the Company's class cost of service study, please identify each individual software application and its function or purpose along with its total Columbia Gas of Kentucky investment and depreciation reserve.

254. With regard to Account 387.45 (Telemetering) contained in the Company's class cost of service study, please provide a description of each type of equipment and/or investment along with its booked investment and depreciation reserve.

255. With regard to Account 487 (Forfeited Discounts), please explain why the GS-RES class is not assigned any revenue.

256. Please provide a detailed itemization of Account 488 (Miscellaneous Service Revenue) totaling $147,314 in the Company's class cost of service study.

257. With respect to Account 923 (Outside Services) totaling $7,217,323, please provide an itemization of each outside service rendered with a description and test-year amount.

258. With respect to specific services and attendant expenses assigned to Columbia Gas of Kentucky from affiliates and NiSource, please provide the specific test year services and charges, such as by Job Orders, including the basis for allocating these charges; i.e., Allocation Codes. Please provide in executable electronic format as well as in hard copy as available.

259. Please explain and provide all workpapers and analyses showing the assignment of NiSource and affiliate charges to Columbia of Kentucky to individual FERC accounts.

260. With respect to the level of expenses provided in the class cost of service study, please provide by FERC account, the direct expense incurred by Columbia Gas of Kentucky and costs assigned to COK by NiSource or any affiliate. Please provide in executable electronic format as well as in hard copy.

261. With regard to the Company's discussion of its management or classification of gas leaks and repairs beginning at Page 6, Line 1 of witness Mueller's testimony, please provide the following for each of the last five (5) years:

    a. The number of leaks according to the category of severity; Grade "1", Grade "2", etc.;
    b. The description of the repairs and actions that are routinely taken to address the leaks in each of the categories in (a);
    c. The identification of specific problems and/or chronic conditions regarding gas piping in each of the categories in (a) that have gone beyond the routine repairs and actions referred to in (b);
    d. The identification of leaks; e.g., Grade "2 Priority", that are not required to be reported to DOT but for which the Company has maintained records; and,
    e. The identification of repairs and actions regarding each of the leaks provided in response to (d).

262. With regard to Company witness Mueller at Pages 8 and 9 of his direct testimony, please provide a detailed discussion, as well as copies of relevant documents, describing the Company's historic policies, procedures and programs regarding the replacement of gas mains and service lines. Include in this response the historic dollar amounts and footages of replacement (both scheduled and non-scheduled) of gas mains and service lines separated by size and type; e.g., base steel, cast iron, etc. since 1969 or for at many years as possible. Please identify relocation projects separately.

263. Please provide a tabulation of the complaints received by the Company for each of the last five (5) years from customers regarding leaks or other problems and concerns regarding gas mains, service lines and risers in the Company's system. Include in this response, the date, type of customer, reason for the complain, facility affected, description of problem, response time, repair time, and total time the customer was without gas service for each complaint identified.

264. Please provide the dollar amount of investments for each of the 2008 mainline piping and service line capital replacement referenced at Page 23 of Company witness Mueller's testimony.

265. Please provide an electronic copy of the "data that was reported annually to the DOT by natural gas distribution operations" as referenced at the bottom of Page 3 of Company witness Mueller's testimony.

266. With regard to the Rider AMRP and page 11 of Company witness Cooper's testimony, please provide a detailed description as well as an illustrative example of how the Company will determine the "Reduction for savings in Account No. 887 – Maintenance of Mains" as referenced in line item e. of Rider AMRP, Sheet No. 58.

267. Please provide the Company's projections for the AMRP component that reflects the annual "reduction in Columbia's operation and maintenance expense to repair and maintain the cast iron, base steel, and other mains and services as these facilities are replaced" as stated at Page 11 of Company witness Cooper's testimony.

268. Please provide a detailed discussion and rationale for the Company's proposal to "allocate the AMRP related revenue requirement among customer classes based on the overall base revenue distribution approved in this case" per Page 14 of Company witness Cooper's testimony. Include in this response, the basis for the Company's proposed allocation of AMRP revenue requirement in the future.

269. As stated in Page 14 of Company witness Cooper's testimony, please provide a detailed discussion and rationale as to why "[N]o revenue adjustments would be allocated to customers served under Rate Schedule MLDS or the Flex Provision of Rate Schedule DS."

270. Please provide an executable electronic copy of each of the three (3) pages of attachment JMC-3. Include in this response all inputs, formulae, etc. that show how each of the item lines for the period 2009 through 2038 is determined.