

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF KENTUCKY,) CASE NO.
INC. FOR AN ADJUSTMENT IN RATES) 2009-00141

FIRST DATA REQUEST OF
COMMISSION STAFF TO THE AARP

The AARP, pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than August 24, 2009. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

The AARP shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

the AARP fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to pages 8-11 of the Direct Testimony of Nancy Brockway ("Brockway Testimony"). Is AARP recommending that the Commission deny Columbia's proposed Demand-Side Management program? Explain the response.

2. Refer to page 11 of the Brockway Testimony. Considering the proportion of the customer bill that is attributable to gas costs, which would continue to be charged volumetrically under Columbia's proposal, explain why customers would not recognize the incentive to use less natural gas if a Straight-Fixed Variable rate design were employed.

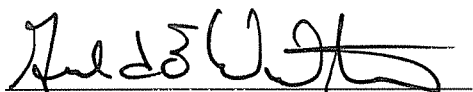
3. Refer to pages 18-19 of the Brockway Testimony. Ms. Brockway appears to advocate that the costs to reconnect customers be included in base rates rather than in a separate charge. Is the AARP not aware that 807 KAR 5:006, Section 8, allows a utility to "make special nonrecurring charges to recover customer-specific costs incurred which would otherwise result in monetary loss to the utility or increased rates to other customers to whom no benefits accrue from the service provided or action taken?"

4. Refer to pages 19 and 20 of the Brockway Testimony. Ms. Brockway states that "a 5% per month fee is well in excess of the amount that would be needed to cover the working capital associated with late payments."

a. Is Ms. Brockway familiar with the level of late payment penalties approved for other utilities in Kentucky and for utilities in other states? If so, how does Columbia's proposed five percent penalty compare to those approved for others?

b. Explain whether Ms. Brockway is familiar the Commission's decisions in Case Nos. 1990-00041¹ and 1990-00158² in which it upheld the existing five percent late payment penalties of The Union Light, Heat and Power Company and Louisville Gas and Electric Company.

5. Refer to page 20 of the Brockway Testimony. Ms. Brockway recommends that the commodity-related uncollectible expense not be recovered through an adjustable rider because it could result in "less effective collections and associated customer relations effort." Explain in detail what is meant by this statement.


for Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
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DATED AUG 12 2009

cc: All Parties

¹ Case No. 1990-00041, The Union Light, Heat and Power Company (Ky. PSC Oct. 2, 1990).

² Case No. 1990-00158, Louisville Gas and Electric Company (Ky. PSC Dec. 21, 1990).

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