

# HURT, CROSBIE & MAY PLLC

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\* Of Counsel

August 24, 2009

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PUBLIC SERVICE  
COMMISSION

*Via Hand-Delivery*

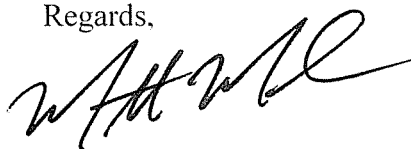
Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

RE: *The Application of Columbia for a Rate Adjustment; Case No. 2009-00141  
Interstate Gas Supply's Data Request Responses*

Dear Mr. Derouen:

Please find enclosed herewith for filing an original and 10 copies of Interstate Gas Inc.'s Data Request Responses to Columbia Gas of Kentucky, Inc. in the above-referenced matter. Please contact me should you have any questions or concerns.

Regards,



Matthew Malone

Enclosures

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

**In the matter of:** : **Case No. 2009-00141**  
: :  
**Application Of Columbia Gas of Kentucky, Inc. :**  
**For an Adjustment in Rates :**

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**INTERSTATE GAS SUPPLY, INC.'S CERTIFICATE OF SERVICE REGARDING  
DATA REQUEST RESPONSES TO COLUMBIA GAS OF KENTUCKY, INC.**

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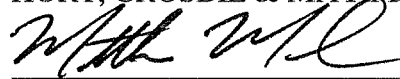
Comes Interstate Gas Supply, Inc. ("IGS") and hereby respectfully files the attached data request responses to Columbia Gas of Kentucky, Inc.

**RECEIVED**

AUG 24 2009  
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COMMISSION

Respectfully submitted,

HURT, CROSBIE & MAY PLLC



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**INTERSTATE GAS SUPPLY, INC.**

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**CERTIFICATE OF SERVICE**

I hereby certify that an original and ten (10) copies of the foregoing were served via hand-delivery upon Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; furthermore, it was served by mailing a copy by first class U.S. Mail, postage prepaid, on the following, all on this 24<sup>th</sup> day of August, 2009.

Hon. Stephen B. Seiple  
Columbia Gas of Kentucky, Inc.  
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P.O. Box 117  
Columbus, Ohio 43216-0117

Hon. Richard S. Taylor  
225 Capital Avenue  
Frankfort, Kentucky 40601

Hon. Dennis G. Howard, II  
Hon. Lawrence W. Cook  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

Iris G. Skidmore, Esq.  
415 W. Main Street, Suite 2  
Frankfort, KY 40601

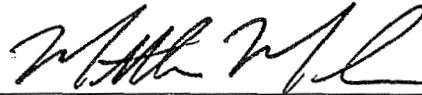
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Hon. Tom Fitzgerald  
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Cincinnati, OH 45202



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ATTORNEY FOR INTERSTATE GAS SUPPLY, INC.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request 001:

On page 3, lines 20 and 21, of Mr. White's testimony, and other places in his testimony, Mr. White refers to "IGS Energy." Is IGS Energy a different business entity that IGS (Interstate Gas Supply, Inc.)? If so, please explain IGS Energy's relationship with IGS.

**Response:**

IGS Energy is a registered trademark of Interstate Gas Supply, Inc. and is used as a brand name. IGS Energy is not an entity and has no corporate formation.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 002:

On page 6, line 13, of Mr. White's testimony, Mr. White states that IGS is a commodity supplier in a competitive market. Does IGS offer any services to customers other than the sale of natural gas as a commodity? If so, please describe all of the services offered by IGS other than the sale of natural gas as a commodity.

**Response:**

IGS offers only commodity services.





**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 003:

Does IGS have any corporate affiliates?

- (a) Does IGS maintain an ownership interest in any other business entities?
- (b) If the answer to either part (a) or part (b) above is yes, please identify each such affiliate or business entity and describe the nature of its business.

**Response:**

Yes, IGS does have corporate affiliates as addressed below:

1. Interstate Gas Supply of Indiana, Inc., wholly owned subsidiary (natural gas sales in Indiana);
2. Interstate Gas Supply of Illinois, Inc., wholly owned subsidiary (natural gas sales in Illinois);
3. The Manchester Group, LLC, IGS has a membership interest; and
4. Atlantic Global Polymer, IGS has an interest.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 004:

Please describe IGS's understanding of the differences between Columbia's proposed PPS and NSS unregulated services and IGS's unregulated services?

**Response:**

Columbia's proposed new services essentially provide customers with a fixed supply cost for natural gas with Columbia bearing responsibility for variability in gas supply cost. IGS and other Choice suppliers provide almost indistinguishable services compared to Columbia's proposed PPS and NSS services. The Choice Program allows Columbia customers to decide who supplies natural gas for their home or business. As for differences, as a utility, Columbia will have the benefit of its utility existing call centers and existing employees and advertising to promote these proposed new products and comparably Columbia will offer a product equivalent to Choice marketers but Columbia will not be required to pay existing fees required of Choice marketers (e.g. a 5 cent throughput fee, a billing fee or 2% discount).



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 005:

Does IGS file with the Kentucky Public Service Commission the prices it proposes to charge Kentucky customers?

- a. If the answer is yes, how far in advance of the effective date of the prices does IGS file the prices with the Public Service Commission?
- b. If the answer is no, why does IGS not file its prices with the Commission?

**Response:**

No, IGS does not file its proposed prices with the Commission.

There is no requirement that IGS file such prices with the Commission.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 006:

Regarding the Direct Testimony of Mr. White, page 4, lines 19-23. Please explain why IGS believes that Columbia will violate K.R.S. § 278, *et seq.*, and provide “impartial” recommendations of the proposed PPS and NSS services.

**Response:**

With regard to the direct testimony of Mr. White, IGS stated that Columbia would not be able to remain impartial because existing Columbia employees will be fielding calls from current and prospective sales customers regarding competitive products including but not limited to the Choice program and potentially PPS/NSS programs. Columbia employees would surely direct said sales customers to the PPS/NSS programs before providing any information regarding the Choice program.

Likewise, as a utility it is my understanding that Columbia is subject to a code of conduct which has been codified in KRS 278, *et. seq.*, which essentially requires separation between unregulated services of a utility or affiliates. The Kentucky legislature established these statutes with good reason – namely to avoid a situation such as this wherein a utility (Columbia) seeks to establish an unregulated program which carries unnecessary risk and potential price fluctuation to the GCA all the while directly competing with Choice suppliers or other competitors and doing so at a competitive advantage. IGS believes that the PPS/NSS programs are an attempt by Columbia to avoid the requirements of KRS 278, *et. seq.*, and to leverage the program through the utility however the non-utility programs should clearly be affiliate programs separate and distinct from Columbia as a utility with their own costs and infrastructure.





**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 007:

Regarding the Direct Testimony of Mr. White, page 8, lines 15-19. Please explain IGS's method of predicting the daily, weekly, monthly or annual gas usage of its customers.

**Response:**

IGS uses various tools to estimate consumption of its customers, including information provided by Columbia. Temperature, historical load, prior day temperature are all components.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 008:

Please describe IGS's experience with the Columbia Gas of Pennsylvania, Columbia Gas of Virginia, and the NIPSCO CHOICE Programs.

- a. In which of these programs does IGS participate?
- b. How long has IGS participated in each program and on what date did IGS begin participating?
- c. How many customers does IGS have enrolled in each Choice Program?
- d. How has the existence of a PPS program in each of those states affected IGS's ability to enroll customers in Choice Programs?
- e. In each of the states referenced earlier in this question, how many customers has IGS enrolled through the Choice Programs in each state since the inception of PPS programs in each state?
- f. In each of the states referenced earlier in this question, how many CHOICE customers has IGS enrolled each year for calendar years 2006, 2007, 2008 and 2009 year to date?

**Response:**

With respect to § (a), IGS participates in Columbia Gas of Pennsylvania and NIPSCO Choice Programs.

With respect to § (b), IGS has participated in Columbia Gas of Pennsylvania since 2000 and NIPSCO Choice Program since 2008.

With respect to § (c), IGS objects to Request No. 008 § (c), on the grounds that it seeks information that is irrelevant to the subject matter of this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. IGS further objects to such Request on the grounds that Columbia seeks to directly compete with IGS through the PPS and NSS programs that such disclosure would violate and/or be protected by anti-trust and trade secret statutes.

With respect to § (d), in the NIPSCO service territory, it has been difficult in the sense that customers have a difficult time separating the utility offer from the utility. Further, access to some of the most critical assets, including on-system storage, has not been made available to the market although it is believed that it is being used for the utility offers, giving them a significant competitive advantage.

With respect to § (e), IGS objects to Request No. 008 § (e), on the grounds that it seeks information that is irrelevant to the subject matter of this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. IGS further objects to such Request on the grounds that Columbia seeks to directly compete with IGS through the PPS and NSS programs that such disclosure would violate and/or be protected by anti-trust and trade secret statutes.

With respect to § (f), IGS objects to Request No. 008 § (f), on the grounds that it seeks information that is irrelevant to the subject matter of this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. IGS further objects to such Request on the grounds that Columbia seeks to directly compete with IGS through the PPS and NSS programs that such disclosure would violate and/or be protected by anti-trust and trade secret statutes.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 009:

Please describe IGS's experience with the Columbia Gas of Pennsylvania, Columbia Gas of Virginia, and the NIPSCO transportation programs, other than CHOICE.

- a. In which of these programs does IGS participate?
- b. How long has IGS participated in each program and on what date did IGS begin participating?
- c. How many customers does IGS have enrolled in each transportation program?
- d. How has the existence of a PPS program in each of those states affected IGS's ability to enroll customers in transportation programs?
- e. In each of the states referenced earlier in this question, how many customers has IGS enrolled through the transportation programs in each state since the inception of PPS programs in each state?

**Response:**

IGS only participates in the Choice programs addressed in DR no. 8.

As such, sections §§ (b), (c), (d) and (e) are not applicable.





**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 010:

When a customer calls IGS, does IGS inform customers of any products or services offered by any of IGS's competitors?

- a. If the answer is yes, please describe the information provided by IGS.
- b. If the answer is no, please explain why IGS does not offer such information to customers.

**Response:**

IGS does not inform customers of any products or services offered by any of IGS' competitors as a general matter.

IGS does not do so because IGS is not under any duty to do so.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 011:

Does IGS's website provide information about the products or services of any of IGS's competitors?

- a. If the answer is yes, please describe the information provided by IGS.
- b. If the answer is no, please explain why IGS does not offer such information to customers.

**Response:**

No, IGS does not provide information about the products or services of any of IGS's competitors.

IGS does not do so because IGS is not under any duty to do so.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 012:

Please describe the start up costs incurred by IGS associated with IGS's entry into the CHOICE program and into the transportation programs of Columbia Gas of Kentucky, Columbia Gas of Pennsylvania, Columbia Gas of Virginia, and NIPSCO.

**Response:**

IGS does not generate or retain information in a manner or format that would enable it to answer this request.



**INTERSTATE GAS SUPPLY, INC.  
RESPONSE TO DATA REQUEST OF COLUMBIA GAS OF KENTUCKY, INC.**

Data Request No. 013:

Please describe IGS's costs to market and serve IGS' customers.

- a. What is the average IT cost per customer?
- b. What is the average customer service cost per customer?
- c. What is the average cost of securing gas supply and hedging per customer, excluding the actual cost of the gas commodity?
- d. What is the average advertising cost per customer?
- e. What is the largest component of the prices IGS charges to a customer, excluding the actual cost of the gas commodity?

**Response:**

IGS objects to Request Columbia Gas DR no. 13 on the grounds that it seeks confidential, non-public, proprietary trade secret information. IGS further objects to such Request on the ground it seeks information of IGS that is protected by the work product privilege. IGS further objects to such Request on the grounds that Columbia seeks to directly compete with IGS through the PPS and NSS programs that such disclosure would violate and/or be protected by anti-trust and trade secret statutes.