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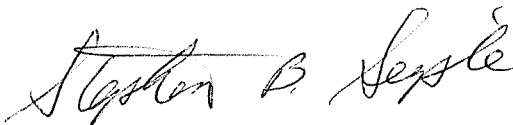
Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
Commonwealth of Kentucky  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

**RE: Case No. 2009-00141**

Dear Mr. Derouen,

Enclosed for filing are the original and eleven (11) copies of Columbia Gas of Kentucky, Inc.'s revised response to the following data requests in the above case: Attorney General's first set number 60. Please docket the original and ten (10) copies and return the extra copy to me in the self addressed stamped envelope enclosed. Should you have any questions about this filing, please contact me at 614-460-4648. Thank you!

Sincerely,



Stephen B. Seiple  
Assistant General Counsel

Enclosures

cc: All Parties of Record  
Hon. Richard S. Taylor

**COLUMBIA GAS OF KENTUCKY, INC.  
RESPONSE TO REQUESTS FOR INFORMATION OF THE  
ATTORNEY GENERAL**

Data Request 060:

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.

**Response:**

The revisions and the respective revenue requirement impact include the following:

- 1) Schedule M-2.2 Revenue at Current Rates, Page 21 of 38, Line 6, Energy Assistance Program rate should be \$.0525/Mcf instead of \$.0549/Mcf. The same change is required for Schedule M-2.3 Revenue at Proposed Rates, Page 21 of 38, Line 6. There is no impact on the Company's filed revenue requirement because the decrease in EAP revenue is offset by the decrease in EAP expense.
- 2) On Schedule B-3.2, Sheet 1 of 3, Lines 1 and 4, the company unintentionally omitted the test year amortization expense associated with plant accounts 303.00 and 303.30. The schedule will be corrected to reflect per books amortization expense of \$2,478 and \$257,713, respectively, for these accounts. The total impact on the Company's filed revenue requirement is an increase of \$268,410.
- 3) On Schedule D-2.1 Sheet 5 of 6, Line 6 the amount of \$1,371,336 was the result of subtracting EAP recovery of \$538,664 included in Account 904 from DIS Billing System Uncollectible accounts of \$1,910,000 as a basis of determining the uncollectible accounts adjustment on Line 7 of \$39,460. In the process of responding to AG Data Request Set 1-035 Columbia discovered that EAP recovery in Account 904 is not included in the DIS Billing System Uncollectible accounts amount on the Company's books and therefore should not have been subtracted from it in determining the adjustment.

The corrected amount on Schedule D-2.1 Sheet 5 of 6, Line 6 is \$1,910,000. The corrected amount on Line 7 then becomes (\$499,204) and the impact on the Company's filed revenue requirement is a decrease of \$564,639.

- 4) When calculating the wage increase of Columbia's labor on workpaper WPD-2.2, Sheet 8, the percent increase in union wages was shown as 3% in column 3 line 5. In fact the union contract states that it is to be a 3.5% increase (see response to Staff data request Set 2-022).

Changing the percentage to the correct 3.5% on workpaper WPD-2.2 increases the labor adjustment shown on Schedule D-2.2 from \$544,186 to \$562,352 and the impact on the Company's filed revenue requirement is an increase of \$19,041.

- 5) Depreciation expense of \$146 shown in Schedule B-3.2 Sheet 2 Line 7 Column F was calculated for Account 392.21 however the account has already been fully depreciated. The correct amount should be \$0.

Amortization expense of \$33,983 shown in Schedule B-3.2 Sheet 2 Line 6 Column F was calculated for Account 392.21 however the account has \$8,724 yet to be amortized in the account. The correct amount should be \$8,724

The total impact of both changes on the Company's filed revenue requirement is a decrease of \$26,208.

- 6) Pension expense of \$1,430,305.50 should have been excluded from the total NCSC Benefits expense of \$2,621,834 on Schedule D-2.8 Sheet 3, Line 7. Removal of pension expense results in \$1,191,528 in Total NCSC Benefits Expense and \$33,124 for the Company on Line 7. This correction reduces the net test year adjustment on Line 14 from \$93,071 to \$78,750. The net impact on the Company's revenue requirement is a reduction of \$14,114.

- 7) **Update as of August 28, 2009: It has come to Columbia's attention that Columbia's Schedule D-2.11 improperly reflects property tax expense calculated on a 13-month average storage balance. This adjustment should have been calculated using the December 31, 2008 book balance since property taxes are paid based on the per book level gas storage balances as of December 31 of each year. Columbia's filing used the proposed average method storage balance to calculate the property tax. Instead, Columbia should have used the per books balance of storage in the determination of property tax because the basis of property tax will not change if the proposed average balance is adopted for rate making purposes. Shown below is a summary of what was originally filed and the corrected calculation of the adjustment.**

**As Filed**

<b>Firm Storage Service</b>	<b>\$48,234,292</b>
<b>Percent in WV on which tax is paid</b>	<b><u>37.9284%</u></b>
<b>Taxable Amount</b>	<b>\$18,294,495</b>
<b>Effective Property Tax Rate</b>	<b><u>1.1931%</u></b>
<b>Annualized Property Tax Expense on Storage</b>	<b>\$218,272</b>

**As Corrected**

<b>Firm Storage Service (December 31, 2008)</b>	<b>\$61,163,255</b>
<b>Percent in WV on which tax is paid</b>	<b><u>37.9284%</u></b>
<b>Taxable Amount</b>	<b>\$23,198,244</b>
<b>Effective Property Tax Rate</b>	<b><u>1.1931%</u></b>
<b>Annualized Property Tax Expense on Storage</b>	<b>\$276,778</b>
<b>Additional adjustment to Property Tax Expense</b>	<b>\$58,506</b>