

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF NATURAL GAS) ADMINISTRATIVE
RETAIL COMPETITION PROGRAMS) CASE NO. 2010-00146

COMMISSION STAFF'S FIRST INFORMATION REQUEST
TO STAND ENERGY CORPORATION

Stand Energy Corporation ("Stand Energy"), 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 July 29, 2010. 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 the 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 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.

Stand Energy 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 Stand Energy fails or refuses to furnish all or part of the requested information,

Stand Energy shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. The Testimonies of John M. Dosker (“Dosker Testimony”) and Mark Ward (“Ward Testimony”) address some, but not all, of the 15 elements contained on pages 14 and 15 of the Commission’s Order of April 19, 2010 which the Kentucky General Assembly directed the Commission to consider. Explain whether the Commission should consider Stand Energy’s silence on the elements not addressed to mean that Stand Energy has no stated position on these elements. If no, then Stand Energy should state its position. The 15 elements have been reproduced here for convenience.

- The role of the Commission in a competitive marketplace;
- The obligation to serve;
- The supplier of last resort;
- Alternative commodity procurement procedures;
- Non-discriminatory access to services offered;
- Codes of conduct for marketers and affiliates of regulated utilities;
- Billing which should include the desirability of the purchase of receivables;
- Certification of suppliers;
- Transition costs;

- Stranded costs;
- Uncollectibles;
- Disconnections;
- Steps necessary to maintain system integrity;
- Access to pipeline storage capacity; and
- Impacts of new natural gas retail competition programs on existing utility services and customers.

2. Provide:

a. A list of the states in which Stand Energy provides small-volume customers with gas supply.

b. The utilities in whose service territories Stand Energy is active in each state.

c. The number of customers of each utility identified in b. above, and the number of customers served by Stand Energy within the utility's service territory.

d. The length of time Stand Energy has served customers in each utility's service territory.

e. The experience of Stand Energy's customer growth (or decline) in each utility's service territory.

f. For each response to items a. through e. above, indicate the mix of residential and commercial customers served by Stand Energy.

3. Columbia Gas of Kentucky ("Columbia") filed the most recent annual report on its Choice Program with the Commission on June 4, 2010. The last paragraph on page 2 of the report indicates that, since the inception of the program through the

most recent month available when the report was filed, participants in the program had paid \$17,280,299 more than “[i]f they had not opted to be supplied by a marketer in the first place.” Explain whether Stand Energy considers Columbia’s Choice Program to be successful, from a customer perspective, based on the absence of customer savings.

4. Does Stand Energy serve any residential customers through Columbia’s Choice Program? Has Stand Energy made any offerings to residential customers in Columbia’s Choice Program? If not, why?

5. Refer to the Ward Testimony starting at the bottom of page 2 and continuing through the sixth line of text on page 3. Confirm whether Stand Energy is interested in serving residential customers as part of expanded retail unbundling in Kentucky.

6. Refer to page 5 of the Ward Testimony. Provide the workpapers and/or spreadsheets which show the derivation of the reported savings that have been provided to the Commonwealth of Kentucky via its service to facilities located in Frankfort and to the LaGrange reformatory.

7. Refer to the bottom portion of page 11 of the Ward Testimony continuing on page 12.

a. Mr. Ward refers to Kentucky-produced gas creating employment and economic development in Kentucky and bringing in tax revenue to Kentucky. Explain whether Mr. Ward is implying that this occurs only when a Kentucky Local Distribution Company (“LDC”) or gas marketer participating in a retail choice program in Kentucky purchases Kentucky-produced gas.

b. Referencing hurricanes such as Katrina, Mr. Ward states that Stand Energy has experienced that local gas supplies are more reliable than Gulf Coast gas supplies. Explain whether Mr. Ward is aware of any of Kentucky's large LDCs losing their gas supply as a result of hurricanes in recent years.

8. Refer to the Dosker Testimony at page 8, lines 5-8. Describe the predatory behavior and the utilities involved therein that Stand Energy reports to have observed.

9. Refer to page 9 of the Dosker Testimony at lines 10-17. Clarify whether the reference to Atmos Energy Corporation ("Atmos") is merely an example of such a relationship between a utility and a non-regulated affiliate or if Mr. Dosker is contending that Atmos Energy Marketing has not successfully managed the transportation assets of Atmos.

10. Refer to page 11 of the Dosker Testimony at lines 13-17. Explain whether Mr. Dosker can state unequivocally that the Commission Staff's discussion of customer choice in response to Stand Energy's raising the issue of expanded transportation service reflects a misunderstanding of the difference between the two topics, or whether it might be that the Commission Staff is concerned about marketers being permitted to serve certain types of customers without also taking on the responsibility of offering transportation service to all small-volume customers, including residential customers.

11. Refer to page 12 of the Dosker Testimony at lines 15-21. Identify the relevance to this proceeding of the extent to which the Commission's website is or is not user-friendly.

12. Refer to the discussion starting at line 9 on page 13 and continuing to line 21 on page 14 of the Dosker Testimony.

a. At lines 14-15 on page 13, Mr. Dosker states that “[t]he Kentucky PSC Staff routinely challenges intervention by gas marketers in natural gas utility rate cases.” As an example of the Staff’s routinely challenging such intervention, Mr. Dosker cites Case No. 2009-00141.¹ Explain how the events in a single case can be construed as evidence of something that occurs routinely.

b. At lines 18-20 on page 14, referring to Case No. 2009-00141, Mr. Dosker states, “By the time the PSC ruled on Stand Energy Corporation’s revised Motion to intervene, the deadline for filing testimony in that case had passed – effectively silencing Stand Energy.” The procedural schedule in that case called for intervenor testimony to be filed by July 26, 2009. The Commission’s Order denying Stand Energy’s initial motion to intervene was issued July 15, 2009. Stand Energy filed its revised motion to intervene on July 30, 2009, four days after the date for filing intervenor testimony, and the Commission granted the revised motion on July 31, 2009. The Commission responded to the revised motion one day after it was filed. Explain whether Mr. Dosker knows why Stand Energy required 15 days from the date of the Commission’s denial Order to file its revised motion to intervene and why Stand Energy filed the revised motion after the due date for filing intervenor testimony.

c. Explain why, concurrent with the filing of its revised motion, Stand Energy did not seek an extension of time or deviation from the procedural schedule and request that it be permitted to file testimony at the time it filed its revised motion.

¹ Case No. 2009-00141, Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates (Ky. PSC Oct. 26, 2009).



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cc: Parties of Record

Administrative Case No. 2010-00146

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