

July 29, 2010

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

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JUL 29 2010

PUBLIC SERVICE
COMMISSION

RE: Case No. 2010-00146

Dear Mr. Derouen,

Enclosed for docketing with the Commission is an original and ten (10) copies of Columbia Gas of Kentucky, Inc., responses to the First Request for Information on behalf of Association of Community Ministries. Should you have any questions about this filing, please contact me at 614-460-5558. Thank you!

Sincerely,

Brooke E. Leslie (me)

Brooke E. Leslie
Counsel

Enclosures

cc: Hon. Richard S. Taylor

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF ACM
DATED JULY 15, 2010**

Data Request No. 1:

Please refer to pages 5 and 6 of the Prepared Testimony of Judy M. Cooper On Behalf of Columbia Gas of Kentucky, Inc. Note that on page 5, line 21 Ms. Cooper states that an original goal of the Columbia CHOICE program was that “[t]he program must provide an opportunity for costumers to save money on their gas bills.” Note further that, according to the testimony at lines 23 and 38 on page 6, this is no longer a goal.

- (a) When did Columbia change this goal, particularly as it relates to residential customers?
- (b) Please explain the basis of Columbia’s decision to change this goal, particularly as it relates to residential customers.
- (c) Please provide copies of any report, study, analyses or other information upon which Columbia relied, in whole or part, in deciding to change this goal.

Response:

The goals of the Customer CHOICE program are universal to all of Columbia’s eligible customers and not specific to any particular segment of customers. The goals of the program were revised in 2004 coincident with changes to the program design. As stated on page 6, lines 42-43 of my testimony, “(s)ome of the initial goals, while not stated explicitly are incorporated intrinsically in the design of the program and remain required ideals”. The original program goal to, “provide an opportunity for customers to save money on their gas bills;” was simply rephrased in the revised program goals and

combined with an expanded ideal of gas price stability. Thus the revised goal, as stated on page 6, lines 27 -28 of my testimony to, “provide an opportunity for reduced gas prices and/or more stable gas prices, while maintaining reliability of service”. Columbia has been very careful to avoid portraying the Customer Choice program as a guarantee of cost savings. While the opportunity for customer cost savings is provided by the program, the inclusion of the word “save” in the original goal without mention of other opportunities the program provides customers, may have been misunderstood. Columbia believes the current goal better articulates the opportunities customers have under the program to assume greater control over their energy supply costs.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF ACM
DATED JULY 15, 2010**

Data Request No. 2:

Please continue to refer to pages 5 and 6 of the Prepared Direct Testimony of Judy M. Cooper On Behalf of Columbia Gas of Kentucky, Inc. In regard to residential customers, what is the difference between the original goal that the CHOICE program “must provide an opportunity for customers to save money on their gas bills,” as stated on page 5, lines 21-22, and the current goal, as stated on page 6, lines 26-28, that residential customers have “an opportunity for reduced gas prices and/or more stable gas prices”?

Response:

Please see Columbia’s Response to ACM Question 1.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF ACM
DATED JULY 15, 2010**

Data Request No. 3:

For each year that the CHOICE program has been in operation, please provide:

- (a) The average cost per Mcf paid by residential customers participating in the CHOICE program; and
- (b) The average cost per Mcf paid by residential customers purchasing their natural gas from Columbia.

Response:

Please see Columbia's response to AARP Data Set 1 DR No. 001 (a).

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF ACM
DATED JULY 15, 2010**

Data Request No. 4:

For each year that the CHOICE program has been in operation, please provide:

- (a) The amount of the average total monthly bill for natural gas services paid by residential customers participating in the CHOICE program; and
- (b) The amount of the average total monthly bill for natural gas services paid by residential customers purchasing their natural gas from Columbia.

Response:

Please see Columbia's response to AARP Data Set 1 DR No. 001 (a).

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF ACM
DATED JULY 15, 2010**

Data request No. 5:

Please provide a comparison of how much residential CHOICE customers in the aggregate have paid for natural gas over the life of the CHOICE program versus what they would have paid had they purchased their gas from Columbia.

Response:

Please see Columbia's response to AARP Data Set 1 DR No. 001 (b).

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF AMC
DATED JULY 15, 2010

Data Request No. 6:

For each year that the CHOICE program has been in operation, please state how many and what percentage of Columbia's residential customers participated in CHOICE.

Response:

Choice Program Year	Residential Choice Participants	Total Residential Customers	%
2001	45,780	139,489	32.8%
2002	41,990	128,241	32.7%
2003	41,280	127,816	32.3%
2004	40,118	127,449	31.5%
2005	35,088	126,918	27.6%
2006	27,651	125,359	22.1%
2007	25,643	125,135	20.5%
2008	25,660	124,397	20.6%
2009	29,188	122,663	23.8%
2010	28,613	122,106	23.4%

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF ACM
DATED JULY 15, 2010**

Data Request No. 7:

For each year that the CHOICE program has been in operation, please provide:

- (a) the number of residential CHOICE customers disconnected from service for nonpayment, and
- (b) the number of residential customers purchasing their gas from Columbia that were disconnected from service for nonpayment.

Response:

Columbia does not distinguish between Choice and non-Choice customers in tracking customer disconnections.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF ACM
DATED JULY 15, 2010**

Data Request No. 8:

Please refer to page 6 of the Prepared Direct Testimony of Judy M. Cooper On Behalf of Columbia Gas of Kentucky, Inc. Note that on lines 16 through 18, Ms. Cooper states that an original goal of the Columbia CHOICE program was that “[c]ustomer education is critical to the success of the program and customers must have an opportunity to learn about the program for a period of time before they begin to receive offers from marketers.” Note further that, according to the testimony at line 23 through 28 on page 6, this is no longer a goal.

- (a) When did Columbia change this goal, particularly as it relates to residential customers?
- (b) Please explain the basis of Columbia’s decision to change this goal, particularly as it relates to residential customers.
- (c) Please provide copies of any report, study, analyses or other information upon which Columbia relied, in whole or part, in deciding to change this goal.

Response:

The goals of the program were revised in 2004. The original goal was established in Columbia’s application for approval of the Customer Choice program in recognition that a period of time was needed for Columbia to develop its education materials if the program were approved and that a period of time should be set aside for customer education before customers would begin to receive offers from marketers. The need for a moratorium on marketer solicitations was no longer necessary after the initial approval of Columbia’s program and thus the goal was eliminated. However, Columbia continues to provide customer education even though it isn’t a stated goal.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO FIRST INFORMATION REQUEST OF ACM
DATED JULY 15, 2010**

Data Request No. 9:

For each year that the CHOICE program has been in existence, please provide the following:

- (a) the total volume of billing inquiries from residential customers in Kentucky received by Columbia Gas's Customer Contact Center; and
- (b) the number of the billing inquiries in (a) above, that were from CHOICE customers.

Response:

- (a) Kentucky billing inquiries to the Customer Contact Center are as follows for years 2004 – 2010 to date. Columbia does not have statistics for prior years.

2004	-	85,015
2005	-	63,369
2006	-	65,102
2007	-	56,748
2008	-	62,343
2009	-	52,267
2010	-	26,853

- (b) Columbia's statistics do not distinguish between billing inquiries between Choice customers and non-Choice customers.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing responses to Association of Community Ministries First Request for Information of Columbia Gas of Kentucky, Inc., was served upon all parties of record by regular U. S. mail this 29th day of July, 2010.

Brooke E. Leslie (gmc)

Brooke E. Leslie
Attorney for
COLUMBIA GAS OF KENTUCKY INC.

SERVICE LIST

Lonnie E Bellar
VP - State Regulation and
Louisville Gas and Electric Company
220 W. Main Street,
P. O. Box 32010
Louisville, KY 40202

John B Brown
Chief Financial Officer, Treasurer
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

Rocco D'Ascenzo
Senior Counsel
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201

Honorable John M Dosker
General Counsel
Stand Energy Corporation
1077 Celestial Street Building 3, Suite 110
Cincinnati, OH 45202-1629

Trevor L Earl
Reed Weitkamp Schell & Vice PLLC
500 West Jefferson Street Suite 2400
Louisville, KY 40202-2812

Thomas J Fitz
Gerald Counsel & Director
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

Michael T Griffith
ProLiance
111 Monument Circle
Suite 2200
Indianapolis, IN 46204

Honorable Lisa Kilkelly
Attorney at Law
Legal Aid Society
416 West Muhammad Ali Boulevard Suite 300
Louisville, KY 40202

Honorable Matthew R Malone
Attorney at Law
Hurt, Crosbie & May PLLC
The Equus Building
127 West Main Street
Lexington, KY 40507

Mark Martin
VP Rates & Regulatory Affairs
Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303

John B Park
Kathernine K. Yunker
Yunker & Park, PLC
P.O. Box 21784
Lexington, KY 40522-1784

Katherine K Yunker
John B. Park
Yunker & Park, PLC
P.O. Box 21784
Lexington, KY 40522-1784

Tom Fitzgerald, Esq.
Liz D. Edmondson, Esq.
Kentucky Resources Council, Inc.
P.O. Box 1070
Frankfort, KY 40602-1070

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

Dennis Howard, II, Esq.
Lawrence W. Cook, Esq.
Assistant Attorneys General
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Mark Hutchinson, Esq.
6121 Frederica Street
Owensboro, KY 42301