

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.'S 2015)	
ACCELERATED MAIN REPLACEMENT PROGRAM)	CASE NO.
FILING BALANCING ADJUSTMENT)	2016-00140

COMMISSION STAFF'S SUPPLEMENTAL REQUEST FOR INFORMATION
TO COLUMBIA GAS OF KENTUCKY, INC.

Columbia Gas of Kentucky, Inc. ("Columbia"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within seven days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the individual 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 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.

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

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. When filing a paper containing personal information, Columbia shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Columbia's response to Commission Staff's Initial Request for Information ("Staff's First Request"), Item 1 and Item 2, Attachment A, which includes information on projects completed in 2015. With regard to Item 1, provide a detailed explanation of the circumstances giving rise to:

a. the annual budget "underruns" related to the growth and public improvement capital budget classes;

b. the decision to shift capital to the Accelerated Main Replacement Program ("AMRP");

c. the determination that the "public improvement and compliance/capacity related betterment projects" were not considered to be in the ordinary course of business, but were rather eligible for inclusion in the AMRP, and the percentage that priority pipe replacement represented in each project; and

d. the projected retirements' being "somewhat lower than projected."

Also confirm that Item 2, Attachment A, shows that the actual footage of priority pipe

retirements was 81,701, compared to 70,733 projected for 2015,¹ resulting in 15.5 percent more priority pipe retirement footage.

2. Refer to Columbia's response to Staff's First Request, Item 2, Attachment A, and Form 1.1 filed in Case No. 2014-00366.

a. Confirm that total services replaced were 24 percent higher than projected, explain why service replacements were so much higher than projected, and explain whether all service replacements included in the attachment resulted from projects that were substantially related to the retirement of priority pipe. If such is not the case, explain why these were determined to be eligible for AMRP recovery.

b. Confirm that the actual cost of mains, service replacement, and total project cost were all approximately 35 percent higher than projected for 2015, and explain whether Columbia believes its AMRP priority pipe replacement has been similarly escalated by the higher-than-projected investment.

3. Refer to Columbia's response to Staff's First Request, Item 2, Attachment A. Except for Projects 1313463 and 1423264, the installed footage of each project identified in the requests below was at least 2,167 feet.

a. Projects 1317248 and 1422742 on the first page of the attachment had retirement footage ranging from nearly twice the installed footage (Project 1422742) to more than 3.5 times the installed footage (Project 1317248). Explain why the retirement footage for each project exceeded its installed footage to such an extent.

b. Projects 1314346 and 1424777 on the first page of the attachment had installed footage ranging from 1.5 times the retirement footage (Project 1314346) to

¹ See Case No. 2014-00366, *Columbia Gas of Kentucky, Inc.'s 2014 Accelerated Main Replacement Program Filing* (Ky. PSC Oct. 15, 2014), Application, Form 1.1.

nearly 2.5 times the retirement footage (Project 1424777). Explain why the installed footage for each project exceeded its retirement footage to such an extent.

c. Project 1313463 on the attachment's second page had retirement footage approximately 2.25 times the installed footage while Project 1423264 had installed footage approximately 2.2 times the retirement footage.

(1) Explain why Project 1313463's retirement footage exceeded its installed footage to such an extent.

(2) Explain why Project 1423264's installed footage exceeded its retirement footage to such an extent.

d. Projects 1315838, 1317618, 1318604, and 1528791 on the third page of the attachment had installed footage ranging from 1.5 times the retirement footage (Project 1318604) to 3.5 times the retirement footage (Project 1528791). Explain why the installed footage for each project exceeded its retirement footage to such an extent.

4. Refer to Columbia's response to Staff's First Request, Item 2, the third page of Attachment A. The installed footage shown for Project 1210307 is 5,200 feet.

a. Explain the circumstances giving rise to this project, which was not included in the 2015 AMRP projection.

b. Confirm that this is appropriately considered a replacement project in accordance with Columbia's approved AMRP, and explain how it was determined to be eligible for AMRP recovery, given that the attachment includes no Priority Pipe Replacement footage for this project.

5. Refer to Columbia's response to Staff's First Request, Item 2, the third page of Attachment A. The installed footage for Project 1425492 is 1 foot.

a. Explain the circumstances giving rise to this project, which was not included in the 2015 AMRP projection.

b. Confirm that this is appropriately considered a replacement project in accordance with Columbia's approved AMRP, and explain how it was determined to be eligible for AMRP recovery, given that the attachment includes no Priority Pipe Replacement footage for this project.

c. Explain why it cost approximately \$25,000 to replace 1 foot of pipe.

6. Refer to Case No. 2009-00141,² the Direct Testimony of David Mueller ("Mueller Testimony"), page 8, which indicates that Columbia plans to replace all AMRP-eligible mains, service lines, and associated appurtenances over a span of approximately 30 years, beginning in 2008, and estimates the total program will cost approximately \$210 million. State whether Columbia believes that those initial projections continue to be accurate. If not, state the year that Columbia projects its replacement of priority pipe, services, and appurtenances through the program will be complete, and provide an update of the projected cost.

7. Refer to Case No. 2009-00141, Mueller Testimony, page 8, which lists the types of mains to be replaced in Columbia's AMRP as unprotected bare steel, cathodically protected bare steel, cathodically un-protected coated steel, ineffectively coated steel and cast iron. Identify any main replacements shown in Columbia's response to Staff's First Request, Item 2, Attachment A, that involved the replacement

² Case No. 2009-00141, *Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates* (Ky. PSC Oct. 26, 2009).

of pipe that was not composed of the previously mentioned steel or cast iron, and explain why the investment was deemed to be appropriate for recovery through the AMRP.



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DATED MAY 23 2016

cc: Parties of Record

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