COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC. FOR AN ADJUSTMENT OF RATES; APPROVAL OF DEPRECIATION STUDY; APPROVAL OF TARIFF REVISION; AND OTHER RELIEF	)))))	CASE NO. 2026-00099

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

Columbia Gas of Kentucky, Inc. (Columbia Kentucky), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 4, 2026. The Commission directs Columbia Kentucky to the Commission's July 22, 2021 Order in Case No. 2020-00085[1] regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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 the person supervising the preparation of the response on behalf of the entity that the

[1] Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Columbia Kentucky shall make timely amendment to any prior response if Columbia Kentucky obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Columbia Kentucky fails or refuses to furnish all or part of the requested information, Columbia Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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. When filing a paper containing personal information, Columbia Kentucky 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 KRS 278.130 as amended by Section 104 of House Bill 757.

a. Provide the amount of the most recent PSC Assessment.

b. Provide the amount of the PSC Assessment included in the base period and the forecast period, respectively.

c. Explain how Columbia Kentucky accounted for this increase in this application generally.

2. Refer to the Attachment to Informal Conference Memo, page 11. Provide the NiSource Corporate Services Company (NCSC) gross payroll for calendar 2025 for each NCSC affiliate. Include in the response the percentage of the NCSC total payroll, the number of employees included in the payroll.

3. Refer to Columbia Kentucky's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 3.

a. Explain how shortening Columbia Kentucky's rate case expense amortization for the instant proceeding correlates to increasing its earned rate of return.

b. Explain whether the Commission has ever set a one-year amortization period for Columbia Kentucky to amortize its rate case expenditures.

c. Explain whether Columbia Kentucky would continue to have the concern of erosion of its earned rate of return if the Commission approved an increase in base rates in this case.

4. Refer to Columbia Kentucky's response to Staff's Second Request, Item 5. Refer also to the Application, Volume Five, Tab 72 at Schedule F-1.A through Schedule F-1.C.

a. Explain how Columbia Kentucky was able to budget the Operations and Maintenance (O&M) expense exclusions in the forecasted test year for Corporate Dues and Memberships, yet was unable to budget the total expenses for each individual Dues-Requiring-Organizations in the test year.

b. Explain whether Columbia Kentucky has the ability to forecast its O&M expenses at a more granular level.

5. Refer to Columbia Kentucky's response to Staff's Second Request, Item 9.

a. Provide the accounts Columbia Kentucky references when it states that it does not forecast “certain other gas revenues.”

b. Explain why Columbia Kentucky does not forecast unbilled revenues, off-system sales revenues, and certain other gas revenues, as explained in response to Staff’s Second Request, Item 5(a).

6. Refer to Columbia Kentucky’s response to Staff’s Second Request, Item 29, Attachment A, page 7.

a. Provide Attachment A in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. Explain the approximate $2,278,434 increase in Columbia Kentucky’s “Outside Service Employed” Expense from calendar year 2025 to the forecasted test period.

7. Refer to Columbia Kentucky’s response to Staff’s Second Request, Item 36. Explain why Columbia Kentucky is including expenditures in the forecasted test year for a project that has yet to be approved by the Commission.

8. Refer to Columbia Kentucky’s response to the Attorney General’s First Request for Information (Attorney General’s First Request), Item 16, Attachment A at cell J7. Confirm that the adjustment amount should be a reduction to rate base, as opposed to an addition to rate base. If not confirmed, explain the response.

9. Refer to Columbia Kentucky’s response to the Attorney General’s First Request, Item 23.

a. Provide a chart comparing Columbia Kentucky's current monthly residential customer charge to the monthly residential customer charge of other similarly situated gas utilities in Kentucky.

b. Provide a chart comparing Columbia Kentucky's proposed monthly residential customer charge to the monthly residential customer charge of other similarly situated gas utilities in Kentucky.

10. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 30, Attachment A.

a. Specifically pertaining to scheduling required meter changes instead of cold calling, provide the amount of overtime savings that Columbia Kentucky experienced related to meter changes.

b. Quantify the savings from reassigning the retired leakage technician's job responsibilities and eliminating the leakage technician vacancy. Further explain whether these savings are reflected in the forecasted test period.

c. Provide the amounts that Columbia Kentucky saved on contractor costs by in-sourcing the work typically performed by contractors. Further explain how these savings are reflected in the forecasted test period.

d. Provide the amounts that Columbia Kentucky saved by having a trainer travel to Lexington to do training classes rather than sending Columbia Kentucky employees out of state to training centers. Further explain whether those savings are reflected in the forecasted test period.

11. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 32(b). Explain why only 2.3 miles of pipe mileage were replaced in 2025 when 10.7 miles of pipe mileage were replaced in the preceding year.

12. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 38, Attachment A at Line 1, "Rate Base." Refer also to Columbia Kentucky's response to the Attorney General's First Request, Item 18(a). The cash working capital adjustment, as supported by Attachment A, is $(11,137,929), yet in Columbia Kentucky's response to the Attorney General's First Request, Item 18(a), Columbia Kentucky states that the Lead Lag study resulted in a calculated cash working capital of $(11,189,551). Reconcile the difference between the two amounts.

13. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 48. Explain the drivers that caused Columbia Kentucky's actual capital spend to exceed its budgeted capital expenditures for the years 2021 through 2023. Further, explain how Columbia Kentucky will address these concerns in the forecasted test period.

14. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 54(g). Identify and explain in detail the tangible benefits that Columbia Kentucky's ratepayers receive as a result of utilizing corporate aircraft as opposed to commercial airlines.

15. Refer to Columbia Kentucky's response to Staff's Second Request, Item 23. Explain whether it is typical FERC approved accounting practice to combine pipe fitting into the mains cost in the plant account.

16. Refer to Columbia Kentucky's response to Staff's Second Request, Item 24b and Item 25.

a. Confirm that the Main Line Delivery Service (MLDS) class is 440 percent above its revenue responsibility at an equalized rate of return. If unable to confirm, explain.

b. Explain why Columbia Kentucky continues to propose that MLDS recover more than its cost-to-serve for the benefit of the Residential class.

c. Explain whether Columbia Kentucky has considered only increasing the rate for the Residential class in an effort to move it closer to its cost-to-serve.

d. Explain whether Columbia Kentucky has considered increasing the rates for all classes except for MLDS in an effort to lower the revenue responsibility for MLDS.

17. Refer to Columbia Kentucky's response to Staff's First Request, Item 1, Attachment A, page 1, line 4.

a. Describe the drivers behind the 178.45 percent increase in property tax expense between calendar year 2023 and 2024.

b. Explain whether Columbia Kentucky protested any property tax valuations received in 2024, 2025, or 2026. If so, provide documentation supporting the protest and the outcome of that protest.

18. Refer to Columbia Kentucky's response to Staff's First Request, Item 6, Attachment B. Provide a general description of the scope of work or activities, and how they benefit Kentucky customers, associated with the affiliate charges from the following vendors:

a. Concentric Energy Advisors, Inc.

b. Continuum Capital, LLC.

c. E Source Companies LLC

d. Executive Consultants United, LLC

e. Guidehouse, Inc.

f. McKinsey & Company, Inc.

g. NetJets Aviation Inc.

h. Pekron Consulting

i. Pinkerton Consulting & Investigations

j. R&D Acquisitions, Inc.

k. Regulatory Capital Consultants, L.L.C.

19. Refer to Columbia Kentucky's response to Staff's First Request, Item 6, Attachment B. Provide a breakdown of the charges labeled "Manual Journal Vouchers – Various".

20. Refer to Columbia Kentucky's response to Staff's First Request, Item 7, Attachment B. Provide a general description of the scope of work or activities, and how they benefit Kentucky customers, associated with the affiliate charges from the following vendors:

a. Bully Pulpit Interactive, LLC

b. Lee Enterprises, Inc

c. Gerard Media, LLC

d. Charles Ryan Associates, Inc.

21. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), WPD-2.7 B(2), page 174, Line 6. Explain the basis for the forecasted 4 percent merit increase in 2027. Provide the target merit increases provided to bargaining and non-bargaining employees of Columbia Gas and NiSource CSC for each of the last ten years.

22. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), WPD-2.7 B(2), page 174 Line 2.

a. Provide the basis for the annual gross salary at December 31, 2025. For example, explain whether that figure is based upon the actual calendar year 2025 gross salary expenses, the December 2025 monthly gross salary expense multiplied by 12, or some other derivation.

b. Provide all supporting workpapers and calculations in Excel with native executable format with links and formulas intact. Provide the monthly gross base salary for each month in calendar year 2025.

23. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), WPD-2.7 J(2), page 186, Line 2.

a. Provide the basis for the annual gross salary at December 31, 2025. For example, explain whether that figure is based upon the actual calendar year 2025 gross salary expenses, the December 2025 monthly gross salary expense multiplied by 12, or some other derivation.

b. Provide all supporting workpapers and calculations in native executable format with links and formulas intact. Provide the monthly gross base salary for each month in calendar year 2025.

24. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), WPD-2.7 J(5), page 189. Provide an anonymized list of employees who have left Columbia Kentucky or NiSource CSC since Dec. 31, 2025. Include each employees job title, salary, allocation to CKY for 2025, O&M experience ratio, incentive compensation, and gross benefits cost.

25. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), WPD-2.7.L, page 191. Provide the source data and assumptions for the 1.302 percent property tax expense effective rate. Include all workpapers and calculations used to derive that rate in native, executable format with formulas and links intact.

26. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a) Schedule E-1.1, page 193, Sheet 1. Provide a version of the schedule with line references in column "REFERENCE" corrected.

27. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), Schedule E-1.1, page 194, sheet 2. Explain whether the SMRP Book/Tax Basis Difference – Adjustment shown on line No. 38 is specific to 2023 and 2023 SMRP investment. If not, provide the amount of book to tax basis difference attributable to 2023-24 SMRP investment separately from 2025-26 SMRP investment.

28. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), Schedule E-1.1, page 195, Sheet 3. Explain the basis for the adjustments to the amortization of excess ADIT shown on lines 4 and 11 and the adjustments to the flow through of excess book/tax depreciation shown on lines 3 and 12. Provide any supporting workpapers, assumptions, and inputs to the calculations in native, executable format with formulas and links intact.

29. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), Schedule F-8.A, page 220, Sheet 1. Explain the drivers for the forecast increase in employee expenses from $1,041,527 in the base period to $1,228,918 in the forecasted period shown on line 6.

30. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), Schedule F-9, page 223, Sheet 1. Provide the basis for the $380,000 in customer notification expense shown on line 3 including all assumptions, calculations and inputs in native executable format with formulas and links intact.

31. Refer to Tab 72, 807 KAR 5:001 Section 16-(8)(a), Schedule I-3, page 235, Sheet 1. Explain the basis for the forecasted decrease in sales customers from 127,220 in 2025 to 124,621 for the unadjusted base period ending 8/31/26 shown on line No. 14. Explain why Columbia Kentucky believes the total number of sales customers will be approximately flat from calendar year 2025 through calendar year 2027.

32. Refer to Tab 84, 807 KAR 5:001 Section 16-(8)(m), Schedule M, page 1 and 2. Describe the factors that result in a forecasted decrease in total revenue excluding gas cost shown on line 12 from 144,744,446 in the base period to 135,278,504 shown in the forecast period.

33. Refer to the Direct Testimony of Elizabeth J. Owens, page 28, line 3. Provide the total requested Long-Term Incentive expense in the test year revenue requirement broken down by restricted stock units (RSU) and performance stock units (PSU) components.

34. Refer to Columbia Kentucky's response to Staff's Second Request, Item 29. Provide the derivation of the Basis 1-20 allocation percentages for 2023, 2024, and 2025. Provide the source for each input to the calculation and provide that calculation in native executable format with formulas and links intact.

35. Refer to Columbia Kentucky's response to Staff Second Request, Item 29, Attachment A. Describe the difference between the "Direct Billed", "Basis 20" and "Direct NCSC" basis for allocating costs to Columbia Kentucky.

36. Explain what factors caused allocated O&M costs to increase from a total of 20,998,813 in 2023 to 25,605,083 in 2024. Describe why that elevated level of O&M expense continued in 2025 and is forecasted to be required going forward.

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DATED JUL 17 2026

cc: Parties of Record

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