

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:)
)
APPLICATION OF COLUMBIA GAS) Case No. 2016-00162
OF KENTUCKY, INC. FOR AN)
ADJUSTMENT OF RATES)

COLUMBIA GAS OF KENTUCKY, INC.'S
DATA REQUESTS SERVED UPON
THE OFFICE OF THE ATTORNEY GENERAL

Pursuant to the Commission's Order in this proceeding, dated June 10, 2016, Columbia Gas of Kentucky, Inc. ("Columbia"), propounds the following data requests to be answered by the Office of the Attorney General ("AG") in writing. These data requests shall be deemed to be continuing so as to require supplementary answers between the time the answers are served and the time of the hearing.

Respectfully submitted,
COLUMBIA GAS OF KENTUCKY, INC.

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INSTRUCTIONS FOR ANSWERING

(1) All responses shall be in writing, and each response shall identify the name and position of the person(s) who provided the response. Each data request shall be answered separately and fully. Each response shall first restate the data request being answered.

(2) All responses to data requests shall be served upon Columbia at the offices and its attorneys in this proceeding:

(3) You are reminded that all answers must be made separately and fully, and that an incomplete or evasive answer is a failure to answer.

(4) You are under a continuing duty to seasonably supplement your response with respect to any question directly addressed to the identity and location of person having knowledge of discoverable matters, the identity of any person expected to be called as an expert witness at hearing, and the subject matter of which he or she is expected to testify, and to correct any response which you know or later learn is incomplete or incorrect.

(5) All information is to be divulged which is in your possession or control or within the possession and control of your attorneys, investigators, agents, employees, or other representatives of you or your attorney.

(6) Where a data request calls for an answer in more than one part, each part should be separated in the answer so that the answer is clearly understandable.

(7) Where an objection is interposed to any data request, or part thereof, answer all parts of the data request to the extent not objected to.

(8) Identification. As used herein, the terms "identification," "identify," or "identity," when used in reference to (a) a natural individual, requires you to state his or her full name and residential and business address; (b) a corporation, requires you to

state its full corporate name and any names under which it does business, its state of incorporation, the address of its principal place of business, and the address of all of its offices in Kentucky; (c) a business, requires you to state the full name or style under which the business is conducted, its business address or addresses, the types of businesses in which it is engaged, the geographic areas in which it conducts those businesses, and the identity of the person or persons who own, operate, and control the business; (d) a document, requires you to state the number of pages and the nature of the document (*e.g.*, letter or memorandum), its title, its date, the name or names of its authors and recipients, and its present location and custodian; (e) a communication, requires you, if any part of the communication was written, to identify the document or documents which refer to or evidence the communication, and, to the extent that the communication was non-written, to identify the person participating in the communication and to state the date, manner, place and substance of the communication.

(9) Identification of documents. With respect to each data request, in addition to supplying the information requested, you are to identify all documents that support, refer to, or evidence the subject matter of each data request and your answer thereto.

If any or all documents identified herein are no longer in your possession, custody, or control because of destruction, loss, or any other reason, then do the following with respect to each and every such document: (a) describe the nature of the document (*e.g.*, letter or memorandum); (b) state the date of the document; (c) identify the persons who

sent and received the original copy of the document; (d) state in as much detail as possible the contents of the document; and (e) state the manner and date of disposition of the document.

If you contend that you are entitled to withhold from production any or all documents identified herein on the basis of attorney-client privilege, the work product doctrine, or other grounds, then do the following with respect to each and every document: (a) describe the nature of the document (*e.g.*, letter or memorandum); (b) state the date of the document; (c) identify the persons who sent and received the original and a copy of the document; (d) state the subject matter of the document; and (e) state the basis upon which you contend you are entitled to withhold the document from production.

(10) Representative. As used herein, the term “representative” means any and all agents, employees, servants, officers, directors, attorneys, or other persons acting or purporting to act on behalf of the person in question.

(11) Person. As used herein, the term “person” means any natural individual in any capacity whatsoever or any entity or organization, including divisions, departments, and other units therein, and shall include, but not be limited to, a public or private corporation, partnership, joint venture, voluntary or unincorporated association, organization, proprietorship, trust, estate, governmental agency, commission, bureau, or department.

(12) Document. As used herein, the term “document” means any medium upon which intelligence or information can be recorded or retrieved, and includes, without limitation, the original and each copy, regardless of origin and location, of any book, pamphlet, periodical, letter, memorandum (including any memorandum or report of a meeting or conversation), invoice, bill, order form, receipt, financial statement, accounting entry, diary, calendar, telex, telegram cable, report, record, contract, agreement, study, handwritten note, draft, working paper, chart, paper, print, laboratory record, drawing, sketch, graph, index, list, tape, photograph, microfilm, data sheet or data processing card, electronic mail, computer discs or tapes, or computer produced interpretations thereof, or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody, or control or which was, but is no longer, in your possession, custody or control.

(13) Communication. As used herein, the term “communication” means any oral or written utterance, notation, or statement of any nature whatsoever, by and to whomsoever made, including, but not limited to, correspondence, conversations, dialogues, discussion, interviews, consultations, agreement, and other understandings between or among two or more persons.

(14) Contention Data Request. When a data request requires you to “state the basis of” a particular claim, contention, or allegation, state in your answer the identity of

each and every communication and each and every legal theory that you think supports, refers to, or evidences such claim, contention, or allegation.

(15) The Word "Or." As used herein, the word "or" appearing in a data request should not be read so as to eliminate any part of the data request, but, whenever applicable, it should have the same meaning as the word "and." For example, a data request stating "support or refer" should be read as "support and refer" if an answer that does both can be made.

DATA REQUESTS

Data Requests Related to the Testimony of Lane Kollen

1. Please provide all Excel files with formulas intact and cells unprotected for all exhibits and supporting workpapers relied upon by Attorney General Witness Lane Kollen to support his position.
2. Is the Attorney General offering Mr. Kollen as an expert on gas utility pipeline safety, operational safety or customer safety? If yes, please state, in detail, the qualifications held for such expertise.
3. On page 10 of the testimony of the Attorney General, witness Lane Kollen claims that that the "additional strategic O&M initiatives", including GPS technology, cross-bore identification and inspection and the training center are not required

for safety or reliability because they were not in the Company's original O&M budget. Other than his criticism of timing, please provide the basis for Mr. Kollen's assertion that these costs are not necessary for safety or reliability purposes to protect the Company's customers, employees, pipelines and the public. Please provide all studies relied upon.

4. Beginning on page 49, Mr. Kollen opposes the replacement of Aldyl-A and other forms of first generation plastic which are prone to brittle-like cracking as part of the recovery mechanism in the AMRP tariff. He claims there is "no compelling reason to do so" and it will create an "...open-ended form of recovery"..." with "...almost no controls...".

Please explain the extent of Mr. Kollen's knowledge of the federal Pipeline and Hazardous Materials Safety Administration ("PHMSA") and its regulations and provide all studies, articles, and other materials upon which he relied to make his conclusions.

5. Please describe Mr. Kollen's understanding of how the DIMP requirements affect Columbia. Please provide all studies, articles and other materials that serve as the basis of his understanding of the DIMP requirements imposed on Columbia.

6. Please refer to Exhibit LK-19 in Mr. Kollen's testimony.
 - a. Provide the derivation of the 13 month average depreciation rate of 2.83%.
 - b. What is the basis for the amounts included in the "Test Year Adds 2017" column?

7. CKY's proposed equity capitalization ratios in each of its last four general rate proceedings were as follows: 52.42% (PSC Case No. 2016-00162, instant proceeding); 52.39% (PSC Case No. 2013-00167); 52.02% (PSC Case No. 2009-00141); 52.09% (PSC Case No. 2007-00008). Other than a reference to the base year, upon what evidence does Mr. Kollen rely to make an assumption that the Company will issue a \$4.0 million dividend in the test year? Provide any documentation, workpapers or other information to support this assumption.

8. Please explain Mr. Kollen's interpretation of Columbia's Statistical Meter Sampling Program and its requirements. Provide copies of all of meter sampling programs and reports that Mr. Kollen has reviewed and any analyses or program evaluations that he has relied upon regarding other meter sampling programs or upon which he has rendered an opinion.

Data Requests Related to the Testimony of Richard A. Baudino

1. Regarding Exhibit__(RAB-2) through Exhibit __ (RAB-6), please provide an electronic copy of all of Mr. Baudino's exhibits in their native format (i.e., Microsoft Excel, Lotus 1-2-3, etc.) with all formulas intact.
2. Regarding page 4, lines 4-13 and Exhibit RAB-2, please provide the numerical data in both hardcopy and electronic form of the historical interest rates.
3. Regarding page 20, lines 3-8 and Exhibit RAB-3, please provide a copy of the source documents for the dividends per share and prices per share for the companies in the gas distribution group.
4. Regarding page 20, line 22 through page 21 line 2 and Exhibit RAB-4, please provide the source documents from Zacks and Thomson/IBES that were employed in this schedule.
5. Please refer to page 20, line 22 through page 21 line 2. Is Mr. Baudino aware of any additional sources of analysts' forecasts of growth? If so, name them and explain why they were not used.

6. Please refer to page 25, lines 10-11. Provide quantification for the percentage of total investment risk that is represented by beta.
7. Please refer to page 25, footnote 10. Provide a copy of *A Random Walk Down Wall Street* by Burton Malkiel, pp. 206 - 211, 2007 edition.
8. Please refer to page 26, lines 10-18 and page 2 of Exhibit RAB-5. Provide an electronic copy of the workpapers that supports the Value Line median growth rates of 11.00% for earnings and 7.00% for book value, and the average dividend yield of 0.80%. The electronic workpapers should have all formulas intact.
9. Refer to page 26, lines 10-18 and page 2 of Exhibit RAB-2. Please indicate if any of the companies included in the 0.80% average dividend yield were not paying dividends. If so, please list those companies. Also provide a list of the dividend paying companies and their associated dividend yield. Please provide these data electronically with all formulas intact.
10. Refer to page 26, lines 10-18 and page 2 of Exhibit RAB-5. Please provide the source documents for the 10.00% average Value Line growth rate.

11. Refer to page 28, lines 2-8 and Exhibit RAB-5 and page 2. Please provide the source document for the 20-year and 5- year Treasury bond yields.

12. Refer to page 28, lines 3-5. Please quantify in basis points of the yield the “significant amount of interest rate risk” that is contained in 20-year Treasury bonds.