

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS)	
OF KENTUCKY, INC. FOR AN)	CASE NO. 2016-00162
ADJUSTMENT OF RATES)	

ATTORNEY GENERAL’S SUPPLEMENTAL REQUEST FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Supplemental Request for Information to Columbia Gas of Kentucky, Inc. (“Columbia” or “Company”) to be answered by the date specified in the Commission’s Order of Procedure, and in accord with the following instructions:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness (es) who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Columbia with an electronic version of these data requests, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the

scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded

statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) The Attorney General reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,

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1. Refer to Attachment C, an Excel spreadsheet, provided by the Company in response to AG 1-1. Provide a similar Excel spreadsheet showing the calculation of the depreciation rates using the ASL procedure provided in response to AG 1-16.
2. Refer to the Company's response to AG 1-18. Provide a schedule showing the costs incurred and the savings achieved by FERC O&M/A&G expense account for each strategic O&M expense initiative for each year 2011 through the test year, and projected beyond the test year for each year 2018 through 2022. Provide all analyses, assumptions, data, calculations, including electronic workpapers relied on for your response. In addition, indicate whether the costs for each such strategic initiative were included in the AMRP. If so, identify the Case number where the Company sought and received authorization to recover the costs through the AMRP.
3. Refer to the Company's response to AG 1-19(b).
 - a. Confirm that the tax repairs deduction reduced or will reduce taxable income for calendar year 2015, twelve months ending August 31, 2016, calendar year 2016, and calendar year 2017.
 - b. Refer to Attachment A to this response. Provide the calculation of federal taxable income for NiSource and for Columbia Gas of Kentucky for each of the periods shown on this schedule. Show each income item and amount and each deduction item and amount. In addition, indicate which of the deductions the Company believes are subject to the normalization provisions of the IRC and provide the Company's support for its position on each deduction.
4. Refer to the Company's response to AG 1-20(d).
 - a. Confirm that the NOL ADIT included in rate base in the test year was calculated on a standalone return basis.
 - b. If the company does not agree, please explain, in complete detail, why the NOL ADIT included in rate base in the test year was not calculated on a standalone return basis.
 - c. Confirm that the Company agrees that the reduction in the NOL ADIT due to any rate increase that is authorized should be calculated on a standalone return basis and the consolidated group income is irrelevant for this purpose. If the Company does not agree, then explain, in complete detail, why the Commission should consider taxable income for the consolidated group for this purpose.
5. Refer to the Company's response to AG 1-22 regarding Gas Stored Underground.
 - a. Indicate whether the cushion or base gas is recorded in Gas Stored Underground or in a plant account. If in a plant account, then identify the account(s) and provide a description of the costs included in the account(s).

- b. Provide the cushion or base gas component recorded in Gas Stored Underground or in plant in mcf and/or dth and dollars by month from January 2012 through December 2017. Describe how this component was calculated or otherwise determined. If calculated, provide a copy of all calculations.
 - c. It appears that the mcf withdrawn in January through March and November through December each year exceeds the Company's sales volumes in those months for non-transportation customers. Explain, in complete detail, the reasons for these additional withdrawals and describe the disposition of mcf withdrawn that are not used to meet the sales volumes for non-transportation customers.
 - d. Provide a schedule showing the sources of gas used to meet the sales volumes for non-transportation customers for each month January 2012 through December 2017.
 - e. Indicate whether the Company sells withdrawn gas to affiliated and/or unaffiliated third parties. If so, indicate whether the margins on these sales are used to reduce the costs recovered through the Company's PGA. Additionally, identify the entities the company sells withdrawn gas to, along with the corresponding amounts of sales.
 - f. Provide a copy of all studies performed within the most recent three year period that were used to establish the Company's projected storage quantities.
 - g. Describe the operator and operation of all of the Company's gas storage facilities, including the identity of the operator and owner of such facilities and whether the operator and owner is an affiliate.
 - h. Provide a copy of all agreements and contracts related to the operation, ownership, and charges for the Company's gas storage facilities.
6. Provide the capital expenditures and plant additions for new meters in each calendar year 2012 through 2015, the base year, and the test year separated into new service meter installations and replacement meter installations.
7. Refer to the Company's response to AG 1-3.
- a. Provide a copy of all support for the number of leak repairs and the related cost included in the test year in the filing and for the number of leak repairs and the related cost the Company now claims should be included in the test year. This support includes a copy of the plan(s), if any, the projection and scope of the number of leaks, and all calculations of the related costs, including all electronic spreadsheets with formulas intact.
 - b. Provide a detailed explanation for each change in the projected number of leak repairs and the related cost.

- c. Provide a detailed explanation as to how the Company is able to project the number and related cost of leak repairs in contrast to its inability to project the number of meter failures and the cost of replacements in the test year.
8. Refer to the Company's response to AG 1-4(b) regarding the expensing of costs to replace segments of Aldyl-A pipe 50 feet or less.
 - a. Provide the O&M expense included in the Company's filing to replace segments of Aldyl-A pipe 50 feet or less.
 - b. Indicate whether it is the Company's proposal to continue to include the O&M expense in the base revenue requirement or to transition it to recovery through the AMRP. Provide a detailed explanation for the Company's proposal. If the plan is to obtain recovery through the AMRP, then indicate whether the Company proposes to continue to expense or capitalize the costs to replace segments that are 50 feet or less. Provide a detailed explanation for this proposal as well.
9. Provide the Company's average daily balance of short term debt and the related interest for the calendar years 2014 and 2015.
10. Refer to pages 203-204 of the Company's response to Staff 1-8 regarding the allocation of parent company tax savings to all subsidiaries with a tax liability.
 - a. Describe how the Company reflected the allocation of parent company tax savings in the test year and in the revenue requirement.
 - b. Describe whether the allocation of parent company tax savings to the Company reduces income tax expense recorded by the Company on its accounting books. Provide a copy of all support relied on for this response or that demonstrates the manner in which the Company records this income tax expense benefit.
 - c. Describe whether the allocation of parent company tax savings in any way affects the Company's NOL carryforward and the related NOL ADIT recorded on the Company's accounting books. Provide a copy of all support relied on for this response or that demonstrates the manner in which the Company records the NOL ADIT.
 - d. Provide a schedule of the parent company tax savings allocated to the Company for each calendar year 2012 through 2015, the base year, and the test year and the income tax accounting entries recorded or that will be recorded on the Company's accounting books in each of those years (actual and budgeted/projected).
 - e. Indicate whether the NOL ADIT recorded on the Company's accounting books is calculated on a standalone basis or is the allocation of the consolidated net operating loss, as described on pages 207 through 209 of Attachment A to the response to Staff 1-8, pages reproduced from the NiSource Intercompany Tax Allocation Agreement. Explain your response in complete detail

11. Refer to pages 223-224 of Attachment A to the Company's response to Staff 1-8 regarding uncertain tax positions.
 - a. Indicate whether the Company has included all ADIT related to uncertain tax positions in the calculation of rate base in the test year.
 - b. Provide the ADIT related to uncertain tax positions by FERC ADIT account and temporary difference recorded on the Company's accounting books and/or budgeted/forecasted at December 31 for each year 2012 through 2015 and the monthly amounts for the base year and test year. To the extent that there are any differences between the monthly ADIT amounts recorded on the Company's accounting books and the amounts included in the calculation of rate base in the test year, provide a reconciliation and a detailed explanation for each such difference.
12. Refer to Attachment A to the Company's response to Staff 1-30. Provide a variance analysis for each account that was 10% more or less in the current period compared to the prior period. Provide all reasons for the variance and quantify each reason. Provide all workpapers and electronic spreadsheets with formulas intact.
13. Refer to Attachment B to the Company's response to Staff 1-30. Provide a variance analysis for each account that was 10% more or less in the base year compared to 2015. Provide all reasons for the variance and quantify each reason. Provide all workpapers and electronic spreadsheets with formulas intact.
14. Refer to Attachment A to the Company's response to Staff 1-33.
 - a. Explain the step up in the number of employees in April 2015 compared to March 2015.
 - b. Explain the step up in the number of employees in January 2017 compared to December 2016. Identify each additional position and the relationship to any or all of the Company's proposed strategic O&M initiatives.
15. Provide the amount of other comprehensive income ("OCI) included in common equity for each month January 2014 through December 2017. Indicate whether the amounts provided increased or decreased common equity.
16. Refer to the Company's response to Staff 1-56.
 - a. Provide the same information and tables for the base year and the test year.
 - b. Provide a further breakdown of account 923 by NiSource Service Company activity/department for 2015, the base year, and the test year.
 - c. Provide a variance analysis for the test year compared to 2015. Describe all identifiable reasons for the variances and quantify each such reason. Provide the variance analysis for account 923 by activity/department.

17. Refer to the Company's response to Staff 2-2(c).
 - a. Provide the actual dividends declared and paid by the Company to NiSource for each year 2012 through 2015, and projected for the base year and the test year.
 - b. Provide all reasons why the Company projected \$0 dividends in the test year given its actual history of dividends and projected dividends for the base year.
 - c. Provide a copy of all studies and analyses performed to conclude that the Company will declare no dividends in the test year.
18. Refer to Attachment A to the Company's response to Staff 2-4.
 - a. Explain why non-AMRP capital expenditures increased significantly in 2014 and 2015 compared to prior years.
 - b. Provide the non-AMRP capital expenditures by project in each year 2012 through 2015. Provide a description of each capital project.
 - c. Provide the non-AMRP capital expenditures by project in the test year. Provide a description of each capital project.
19. Refer to the Company's response to Staff 2-21.
 - a. Provide the actual costs of third party damage by FERC account for each year 2012 through 2015, and the costs included by FERC account in the base year and test year.
 - b. Provide the revenues recovered for third party damage by FERC account for each year 2012 through 2015, and the revenues by FERC account in the base year and test year.
20. Refer to the Company's response to Staff 2-57. Provide a schedule showing the assignments/allocations for NiSource Service Company starting with the total incurred by the service company and the allocations to each affiliate, including the Company, for each month January 2012 through December 2017. Provide direct assignments separately from allocations. Provide all data used to develop each allocation factor and show the activity/cost center costs and the allocations to each affiliate.
21. Provide an electronic spreadsheet with formulas intact for the calculation of depreciation expense in the base period and the test year showing the gross plant, depreciation rates, and depreciation expense by plant account for each month.
22. Refer to the Company's response to Staff 2-61(a). Provide all components of the Other Gas Revenue in the base year and the test period. Explain why the Company removed off-system gas sales revenues and miscellaneous revenues in the test year and why the Company believes they should not be included in the test year revenue requirement. If these revenues are included in another revenue or offset by a reduction in an expense account, then identify where the revenues or adjustments to expenses are included in the

filing and provide the amounts included in each such line item if not otherwise readily discernible.

23. Refer to the testimony of Herbert Miller, starting on page 22 to answer the following:
- a. If a customer contacts the Company via the 1-800 customer service number located on the Company's website, where are the customer service representatives located?
 - b. Provide the number of customer service representatives the Company has utilized in the State of Kentucky for each of the last five (5) years.
 - c. How much does the Company spend each year on customer service?
 - d. Are the Company's customer service representatives employees of Columbia Gas of Kentucky? If not, who are they employed by? Provide agreements and/or contracts with outside entities should the Company's customer service representatives be employees of another company.
 - e. If the Company does employ customer service representatives, how many does the Company employ? Provide the number of customer service representatives the Company employs for the past three (3) calendar years.
 - f. Describe the training received by each customer service representative that works on behalf of the Company. Provide training manuals and/or documentation regarding such training.
 - g. Have there been any significant changes in the way the Company's customer service representatives have been trained in the last five (5) years?
 - h. Provide the number and type of customer complaints made to the Company for the last ten (10) years.
 - i. What FERC account(s) are customer service expenses included?
 - j. By month, how many disconnects and reconnects for non-payment has the Company performed for the past five (5) years.
24. Refer to the testimony of Herbert Miller, page 33. Provide an itemized list of all of the Company's charitable contributions for the past three (3) calendar years. This list should include amounts and beneficiaries. Additionally, indicate whether these amounts are included in the Company's application, and if so, provide the exact location where each can be found.
25. Refer to Commission's final order in Case No. 2013-00167. Provide all figures, data and analyses either created by or relied upon by the Company or an affiliate, used in forming or advising in its annual AMR report delivered to the AG and Commission. Provide all workpapers and electronic spreadsheets with formulas intact.

26. Refer to the Commission’s final order in Case No. 2013-00167, page 8, and the testimony of Judy Cooper in the present case, and attachments thereof. Provide all figures, data and analyses used to prepare or relied upon to complete the summary provided, whether prepared by or provided to the Company, including, but not limited to: annual sales volumes, cost of pipe, cost of installation, cost of right of ways or easements, cost of insurance, cost of ongoing maintenance, and distance to the nearest interstate pipeline for each customer who is served under a “special contract.” Provide all workpapers and electronic spreadsheets with formulas intact.
 - a. If no analyses or data exists, explain how Ms. Cooper came to the conclusion provided on the attachment to her testimony.
 - b. If the Company did not use or consider one or more of the components listed above, explain in complete detail the rationale for not doing so.
27. Refer to the application generally. Provide data or charts detailing the monthly usage of customers for the past three (3) years, by customer class or tariff. Provide all workpapers and electronic spreadsheets with formulas intact.
28. Refer to the testimony of Herbert Miller regarding the hiring of “waves” of employees. Provide a list of each new employment position filled by the Company in the last three (3) calendar years. The list should include the job title and the rationale or necessity for the additional new position. This list may be drafted in conjunction with AG 2-14(b), except insofar as they request separate information.
29. Provide all documentation surrounding the Supporting Those In Need grants, and explain whether the entireties of these grants are funded by shareholder funds. If not, explain in full detail where the funds for the grants are derived.
30. Refer to Columbia’s response to AG 1-39 to answer the following:
 - a. On each chart provided on Attachment A through J, provide the total dollar amount of compensation for each employee that includes all overtime, bonus/awards, and raises for each of the past five years.
 - b. Provide a detailed list of the Company’s merit increase parameters for the years 2012 through 2017.
 - c. Provide a full and detailed explanation as to how the Company determines the percentage merit raise increase for each employee.
 - d. Provide a rationale for Columbia’s Executive’s bonuses/awards on a percentage basis as compared to his/her salary, as listed on Attachment A through E.
 - e. Explain in full detail why there is only one Executive listed in 2012, 2013, and 2014, but beginning in 2015 and through 2016 there are two Executives listed on Attachments A through E.

31. Refer to Columbia's response to AG 1-42 and 1-43 to answer the following:
- a. Provide a detailed list and explanation as to what "utilities and general industry" the NiSource Corporate Services Company (NCSC) Human Resources analyzes when determining the recommendation for Columbia's merit increases.
 - b. When the NCSC Human Resources recommends a percentage merit increase for exempt, non-exempt, and non-union employees, do they analyze projected pay increases of utilities and general industry across the United States or exclusively in the state of Kentucky?
 - c. Provide the policy for NCSC Human Resources recommendation of merit increases to Columbia. Ensure to provide a policy overview in full detail and include whether Columbia has the ability to reject and/or modify the merit increase recommendations.
 - d. Does NCSC Human Resources recommend a specific percentage merit increase or provide certain parameters for a merit increase? Explain the answer in full detail.
 - e. What person or persons approve/reject/modify the NCSC Human Resources recommended percentage merit increase for employees?
 - f. Has Columbia ever refused to implement an NCSC Human Resources recommended percentage merit increase? Provide a full detailed answer as to why or why not.
 - g. Provide the NCSC Human Resources recommended percentage merit increase and the parameters for the percentage merit increase for the exempt, non-exempt, and non-union employees for the years 2012 through 2017. If Columbia awarded raises that differed from the recommendation, then explain the reasoning behind each difference in full detail.
 - h. Provide a detailed explanation of each raise/bonus item that Columbia employees are eligible for, including but not limited to an overview of each raise/bonus item, the criteria used for awarding the raise/bonus, specific details on who has the authority to award each raise/bonus, and how many raise/bonus items an employee is eligible for per year.
 - i. Explain in full detail whether Union members participate in the Corporate Incentive Plan. If the Union members do participate in the Corporate Incentive Plan why is any raise/bonus associated with the plan not based upon performance.
 - j. Explain in full detail why Union members are not eligible for a Spot Award or Promotional/Progression Pay Increase.

32. Refer to Columbia's response to AG 1-44. Provide the total dollar amount that the Company pays in premiums per month for each and every employee for health, dental, vision, disability, and life insurance plans. Also, provide a detailed breakdown that accounts for the dollar amount that the employee must pay versus what the Company pays for each of the above referenced plans per month.